

JPRS 84180

23 August 1983

Near East/South Asia Report

No. 2807

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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NEAR EAST/SOUTH ASIA REPORT

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ARMENIAN AFFAIRS

BRITISH MEDIA SUGGEST TURKEY SHOULD APOLOGIZE TO ARMENIANS

Istanbul MARMARA in Armenian 16 Jul 83 p 1

[Text] The crimes committed against Turkish representatives abroad have given rise, as always, to a spate of anti-Turkish expressions in the international press. One such article appeared two days ago in the British paper DAILY MAIL. The article was written by a columnist named John Dickey. The article said: "The Armenians learned a lesson from Willi Brandt who apologized to the Jews on behalf of the German people for the genocide committed against the Jews. Now the Armenians expect that Turkey do the same and apologize to the Armenians. Attacks against Turkish diplomats will continue for as long as Turkey does not do that."

Channel 4 on British television also endorsed that viewpoint two days ago and featured the author of a book entitled "The Armenian Genocide." The author, J. Walker, said during the interview conducted with him:

"The Turks massacred 1.5 million Armenians. The Armenians were left without a homeland. As long as the Turks do not admit their mistake and continue lying in their press and universities, Turkish diplomats will be killed."

The assassination attempt in Brussels was the top news item on the Austrian and German television networks. The Austrian television also added that the Armenians committed this crime with the aim of setting up an Armenian state.

9588
CSO: 4605/103

ARMENIAN AFFAIRS

BRITISH PAPERS SUPPORT 'DISTORTION' OF HISTORIC FACTS

Beirut AZTAG in Armenian 2 Jul 83 p 4

[Editorial: "The Abductor of Memory"]

[Text] The abductors are Turkey and the governments collaborating with it, who, in broad daylight, want to erase from mankind's memory any record of the national civilization of the Armenian people.

The exhibition supposedly representing "Anatolian civilizations" that opened in Istanbul recently is a clear evidence of Turkey's criminal act of cultural genocide and the accessory role of its European sponsors. The said exhibition, which is sponsored by the Council of Europe, is an attempt to ratify the "de-Armenianization" and the seizure of our country which was called Armenia for thousands of years by Turkifying or disregarding the treasures of Armenian civilization that land has preserved.

The exhibition has a story. Every year, the Council of Europe sponsors exhibitions which represent the cultural heritage of its member countries and which emphasizes their European character. The 18th exhibition in this series opened in Istanbul at the end of May and will remain open until 30 October. Istanbul has been turned into a "massive museum" which brings together so-called "evidences of Anatolian civilizations" including archeological items as well as architectural monuments and works of art.

The sponsorship of the Council of Europe appears to be innocent at first glance and from a perspective of cultural curiosity, particularly since Asia Minor has been the rendezvous point of great civilizations since the beginning of recorded history as a bridge between the East and the West. It appears natural, therefore, that Europe should want to expose the rich heritage of this important region of the world.

But this initial impression is quickly reversed and the vile schemes leading to the sponsorship of the Council of Europe become immediately apparent, when one sees the artifacts displayed and the generous praises heaped by the critics in the international press upon the "Anatolian" [sentence incomplete]. John Russell Taylor, the art critic of THE TIMES, which is known for its "seriousness", leads his article on 7 June with the title "How Turkey Conquered the Conquerors." Meanwhile, Waldemar Januscek, the art editor of the "liberal" GUARDIAN, takes

a more "eloquent" approach and in a 4 June article entitled "Journey Beyond Byzantium" takes back the roots of Turkish civilization 3,000 years.

It is sufficient to read carefully these articles, which express the prevailing mentality in the Council of Europe, to confirm that the sole purpose of the exhibition is to emphasize Turkey's European values and to Turkify Anatolia culturally, in particular, by denying the Armenian influence.

The article in THE TIMES makes a special effort toward the first goal, namely emphasizing Turkey's European values. He notes that the European is making a mistake when he looks at Turkey with a natural repugnance and sees it as an Islamic barbarian which has invaded Christian Europe. On the contrary, the columnist says, judging from the exhibition in Istanbul, Turkey has a unique and rich civilization and must be appreciated as such. Furthermore, Turkey must be considered an indivisible part of the European heritage, especially now that Turkey has begun taking part in the Council of Europe.

The GUARDIAN is eloquent with respect to the second goal, namely the Turkification of Anatolian civilizations. It is true that like THE TIMES the GUARDIAN complains that the exhibition does not give sufficient credit to the remnants of the Byzantine civilization. But it seems its conscience was satisfied by that. The GUARDIAN article not only does not question the "Turkishness" of the items displayed, but also suggests that the exhibition should be toured with a perspective of the past in order to be able to reach the purportedly 3,000-year-old roots of the Turkish civilization which goes beyond Byzantium--in this part of the world.

It is in this sense that the Armenian individual confronts the abductors of memory.

Europe has not only forgotten and left unpunished the first genocide of the 20th century, namely the massacre of Armenians by Turkey, but it also wants to erase permanently from mankind's memory the contribution of the Armenian nation to civilization.

The distortions that have emerged in connection with the said exhibition are equivalent to questioning the reality of the Armenian genocide or even being an accessory to denying it. Furthermore, the said exhibition is aimed at distorting an entire history.

The exhibition falsifies the history of Western Armenia which, after having been promoted as Anatolia on political maps, is now being presented as the cultural cradle of the Turkish nation.

The exhibition ratifies the uprooting of the entire Armenian nation which, after having been driven out of its homeland and having been kept away from it for decades, is now being deprived of its cultural heritage and the national treasures its homeland has preserved for thousands of years.

No matter that an exhibition that displays the remnants of the Urartu civilization cannot under any circumstances avoid admitting the Armenian character of Anatolia.

No matter that an exhibition that pays tribute to the architectural works of Sinans cannot avoid referring to their Armenian origins and cannot disregard the contribution of Armenian architecture whose memory is kept alive by the immortal churches of Ani.

And, finally, no matter that British Prime Minister Gladstone has himself declared that serving Armenia means serving civilization.

The exhibition sponsored by the Council of Europe does not pay attention to all these facts. On the contrary, it is motivated by a glaring political decision whereby Turkey must win the right of European "citizenship" at any price, even if the price to be paid is the Turkification of Anatolian civilizations as evidenced by the said exhibition.

The Council of Europe is "free", of course, to choose not to look at Turkey through the eyes of Shakespeare, Hugo and Lord Byron, as suggested by THE TIMES. It may even have the "right" to consider the Turkish civilization as a European treasure. But neither Europe nor any great power has the freedom or the right to deprive history of its memory.

By disregarding the Turkish crime of burying the cultural heritage of the Armenian nation and by siding with Turkey's attempts toward Turkification, the Anatolian exhibition simply confirms Europe's collaboration.

A collaboration which, after condemning the national liberation struggle and aspirations of the Armenian nation as "hopeless", is now trying to legitimize our cultural uprooting and to erase every Armenian impression from mankind's memory.

Our nation is obliged to fight against this collaboration.

9588

CSO: 4605/102

GROWTH RATE IN HEAVY INDUSTRY REPORTED

Algiers EL MOUDJAHID in French 11 Jul 83 p 3

[Text] A meeting of organized labor cadres and officials in the heavy industry sector of the union of the wilaya of Algiers met late Saturday afternoon at Peoples House under the chairmanship of Mr Kasdi Merbah, member of Central Committee and Minister for Heavy Industry. The meeting was also attended by Mr Hachemi Seghir, national secretary for the GSE [Socialist Management of Businesses]. The meeting, the next to last in a series, is part of a broad program designed by the union of the wilaya of Algiers to coincide with Ramadhan, in the context of the continuing contacts established between the labor rank-and-file and the members of the government. There have been a number of encounters of this kind already with other ministers.

The heavy industry sector, which was the principal subject of discussion Saturday, by virtue of the large number of jobs it provides as well as the strategic role it plays in the national economy, gave rise to a rich and intense debate covering all aspects of its development. While the purpose of the meeting was only to make contact, and while it was geographically limited, involving only the sector's representatives in the wilaya of Algiers, it was able to reach such heights because the latter made such concise and trenchant observations about the strengths and weaknesses of the sector, and even made suggestions about how to encourage its revival.

Rate of Production Up

In a valuable and exhaustive presentation, Mr Kasdi Merbah, with statistics to back him up, outlined developments in the heavy industry sector, which he emphasized has significantly improved over previous years. The figures he presented, covering the physical balances sector by sector, point consistently to a qualitative leap in the sector, where overall production rates are up this year 20 percent over the preceding year. A few statistics: Production of iron and steel has increased by about 1 million tons this year. The number of concrete-mixers manufactured at the El-Harrach plant doubled between 1981 and 1982, going from 2,000 to 4,000. In the field of manufacture of agricultural machinery, an 18 percent increase was recorded. It is the

same in the electric and electronic industries sector: a 25 percent increase at the SONELEC [Algerian National Company for the Manufacture and Installation of Electrical and Electronic Equipment] complex at Tizi-Ouzou, and 50 percent growth at the electronics complex at Sidi-Bel-Abbes. Production of television sets increased from 115,000 in 1981 to 144,000 in 1982.

According to the minister, the general trend in the branches of activity covering machine, electronics, electrical, steel and mining industries was one of increased production. All these abundantly positive results have resulted, Mr Merbah said, from really implementing the sector's administrative and production targets. This in turn was made possible by the introduction of a coherent recovery policy for the heavy industry sector. This policy the minister defined as follows:

- Mobilization of workers to support realization of the sector's objectives.
- Reinvigoration of old projects with better follow-up monitoring, and the launching of new projects.

Intensification of the restructuring process under way in the sector, which has proliferated into 50 companies issuing from 5 mother-companies, namely SNS [National Steel Company], SONAREM [National Prospecting and Mine Exploitation Company], SONACOME [National Mechanical Engineering Company], SN METAL [National Metal Construction Company] and SONELEC.

- Improvement of the financial condition of the companies in trusteeship.
- Improvement of the socio-occupational conditions of the workers.

Touching on the delicate subject of distribution, Mr Merbah insisted that--given the new needs that have been generated--his ministerial department must and will have facilities throughout the country. In the interests of regional balance, sustained attention will be given to the most disadvantaged wilayas.

In order to get beyond the confines of the sector's own sales network, the suggestion was made to consider the possibility of making use of the distribution structures of the other state-owned companies, taking into account, of course, their own particular mandates. For example, the souk-el-fellah could be used for the marketing of all kinds of plumbing equipment and various kinds of sanitary equipment of a useful nature. To relieve the strains in this area in the short term, the idea of building temporary depots was suggested.

Buy Algerian First

Marketing was another subject discussed by the minister, whose remarks aroused intense interest in the audience, not only because of their incisiveness but also and above all because this sector is plagued by so many problems and constraints which, in the great majority of cases, defy explanation. "It is inexcusable," Mr Merbah said, "that economic operators, be they in the public or private sector, refuse to buy our products, and instead patronize foreign firms, from which they import products not at all superior to what is produced locally at a terrible cost in foreign exchange. The example of valves, nuts

and bolts and various other products which in some cases are manufactured in sizeable quantities but still await buyers is a bitter reality and one which is so widely known that we can speak about it in great detail: private operators who bring in a lot of shoddy popular goods such as electrical gadgets, faucets and various other products that are widely available on the domestic market."

Does this reflect biases or lack of competitiveness of our products? To this question the minister responded by giving concrete examples showing that Algerian products, even those newly put on the market, are not of inferior quality, as claimed by some ill-intentioned persons whose desire to slander is only too manifest. Algerian products have even succeeded on the international market: the recent contract signed between SONELEC and a Yugoslav company for the delivery of lamps is in this connection very revealing as to the high degree of technical proficiency Algeria has attained. In a similar vein, the minister was asked about the noticeable scarcity of imported products such as allegedly superior and more sophisticated televisions and refrigerators. The minister replied that on the contrary Algerian products are selling just as well. However that may be, the regulation in force since March of last year requiring licenses for all imports came just in time to regain control over the market, to enable us to achieve greater mastery of the production process and instill greater productivity into our production units, within the framework of diversifying our gamut of production. Considered in relation to the program of restructuring the enterprises in trusteeship, it is a question of gaining more experience in specialization in our production units, in the context of a societal division of labor that will take into account the unique features and real development status of each sector.

Discussing the question of projects, the work on some of which has already begun, Mr Merbah emphasized the efforts his ministerial department has made to consolidate its control over material and human resources. The projects include expansion of the Tizi-Ouzou complex and the CVI complex at Rouiba, construction of a steelmaking plant at Jijel, a salt factory at Djelfa, a crane factory at Bejaia, an iron and steel complex in western Algeria, and the establishment of an automobile plant at Tiaret (the first Algerian auto is to roll off the assembly-line about 1987).

Also raised during this discussion with the minister was the issue of socio-occupational problems among workers in the sector. Mr Merbah gave assurance that his ministerial department is ready to work step by step to resolve these problems and thereby to help cushion the effects of job-changing, which affected some 16,000 workers (or 12 percent) in 1982, a very large number.

9516
CSO: 4519/283

TRADE WITH ROMANIA PROJECTED AT \$1 BILLION BY 1985

Cairo AL-AHRAM AL-IQTISADI in Arabic No 748, 16 May 83 p 6

[Article: "One Billion Dollars Is What the Size of Trade Between Egypt and Romania Will Be in 1985"]

[Text] Last week, the meetings of the joint Egyptian-Romanian committee in Cairo began, under the direction of Dr Wajih Shindi, the minister of investment and international cooperation, and Mr Gheorghe Oprea, the deputy prime minister of Romania.

The two sides discussed joint projects and economic cooperation between the two countries, as well as the possibility of participation by the government of Romania in the Egyptian 5-year Plan and in the continuation of current projects in Egypt in which Romania participates.

Counselor Muhsin Hilal, from the commercial office in Bucharest, stated that the volume of trade between Egypt and Romania reached about \$420 million in mid-1982, and that it is expected that the volume of trade between the two countries will increase after the two sides agree on implementing a trade target of \$1 billion in 1985.

The list of Egyptian exports to Romania includes cotton, petroleum, and coke, while Egypt imports cement, paper, iron, weaponry, tractors, fertilizers, and trains.

The Romanian side showed its readiness to develop the magnitude of trade between the two countries, in order to arrive at the anticipated goal by making deals of a balanced nature and opening new markets to Egyptian exports. In fact, a contract worth \$35 million for the biggest reciprocal deal yet with Romania was signed last February. The Romanian side also wants to participate in the caustic soda factory project in Alexandria and the cement project in the governorate of Asyut, in addition to cooperating in erecting housing units, water purification plants and sewers in Asyut and setting up two stations to repair and maintain railway trains in al-Wasta and al-'Amiriyah.

12224

CSO: 4504/441

PROPOSAL TO CHANGE FOREIGN CURRENCY MARKET SITUATION PRESENTED

Cairo AL-AHRAM in Arabic 13, 14 May 83

[Article by Dr Ahmad Jami', introduced and presented by 'Abd al-Rahman 'Aql: "How Can One Deal With the Foreign Currency Black Market in Egypt - By Means of an Economic Policy Or by Means of Compulsory Measures?"]

[13 May 83]

[Text] A proposal which demands the establishment of two currency markets so that the currency regulation system will be realistic and confidence in the Egyptian market will be restored.

The issue of how to regulate foreign currency in Egypt is a problem which has still not encountered a solution. It is true that current economic policies are oriented toward dealing with the roots of the problem by means of correcting the structural deficiencies of the Egyptian economy. However, this is a cure for the problem which may take a long time to work, and one cannot allow the Egyptian pound to helplessly stumble around in the foreign currency market [in the meantime]. Given this fact, and following a line of thought unlike that of people who have been espousing the establishment of a single free foreign currency market (that is, floating the Egyptian pound), Dr Ahmad Jami', head of the Department of Economics in the Faculty of Law at 'Ayn Shams University, has produced a study which contains a new proposal for solving this problem and which favors the establishment of two currency markets. He is certain that the currency regulation system which he has proposed will restore confidence to the Egyptian market. The "Business Page" [of AL-AHRAM] is presenting this study to its readers in order that those in charge of the national economy see and discuss the proposal. Dr Jami' believes that the current status of the Egyptian economy makes it necessary to have one currency regulation system for transactions in foreign currency belonging to the government, a public person committed to the repayment of foreign loans and importing principal goods and merchandise for the nation, and another, different currency regulation system for currency transactions undertaken by other legal persons, whether they are public sector companies, private sector companies, investment companies, or individuals. For this reason he does not agree with those who espouse the establishment of a single free foreign currency market. He feels that they are disregarding the fact that the government cannot give up its

guaranteed foreign currency which it receives from oil and the Suez Canal--currency which it cannot do without. He also regards as unacceptable the idea of having a single official currency market--that is, "total currency control"--because this means disregarding the existence of the private sector which is recognized by the government and means that the private sector would not be able to obtain, from the responsible authorities, what it requires in the way of foreign currency at the exchange rate set by these same authorities, and this is what forces the private sector to resort to the black market.

Dr Jami' begins with a presentation of how foreign currency is presently regulated--both according to law and in actual practice: We know that, at the present time, there are three foreign currency markets. The first one is the Central Bank foreign currency market. This is a legal market and the rate of exchange of 70 piasters to the dollar. The second market is the authorized [commercial] banks' foreign currency market. The rate of exchange utilized in this market is approximately 84 piasters to the dollar. The third and last market is the free market or black market, and the rate of exchange in this market is determined in accordance with the forces of supply and demand. At the present time the rate of exchange in this market is about 115 piasters to the dollar. This market is called the "free market" because of the way the rate of exchange is determined in it. It is a de facto market and an illegal market, and this is why it is called a "black market." Of course, the resources of each market are known. Because of this situation, this study draws attention to the fact that, in spite of the fact that the laws which regulate the buying and selling of foreign currency by commercial banks--with the four public sector banks, of course, being at the top of the list--only allow these commercial banks to buy and sell foreign currency within the framework of the second market (the commercial banks' market) and at the exchange rate prescribed for them, these banks, especially during recent times and to an ever increasing degree, have found themselves forced to disregard this legal obligation because of the pressure of the requirement of the government itself, as represented by the Central Bank, to have foreign currency in order to be able to import more foodstuffs in addition to the foodstuffs already imported within the framework of the Central Bank market. This has also been necessary due to the pressure of the requirement of public sector companies to have more foreign currency in order to be able to import semi-finished goods and other production requirements which they cannot do without. All of this is true at a time when there are not enough foreign currency revenues in the commercial banks' market in order to take care of these requirements. Because of this, the commercial banks have been forced to purchase foreign currency at a price which is much higher than the exchange rate utilized in this market. Of course, they have had to sell the foreign currency at a price slightly higher than the price at which they bought it. Furthermore, this price at which foreign currency is bought and sold by the commercial banks is the same price as that in the black market. In order that this activity on the part of these banks be considered legal, they have invented a term for the difference between the legal exchange rate which they are supposed to use in their market and the higher exchange rate which they, in fact, are forced to utilize when buying and selling foreign currency. It is called the "currency procurement premium" ['ilawat tadbir 'umlah]. This premium is currently more than one-third higher than the foreign currency exchange rate of these banks' official market.

This is how the situation stands at present with regard to the system for regulating the purchase and sale of foreign currency--that is, the situation according to law and the actual situation in practice. It is an indisputably bad situation. There are many reasons why this is so, and the most important of them are the following:

1. This system or situation is unable to provide the necessary foreign currency required by Egypt's various economic units--including the government and public sector companies themselves--within the framework of legal channels and on the basis of the exchange rate set by this system. This has forced these units--especially the government, as represented by the Central Bank--to purchase foreign currency through the commercial banks--especially public sector banks--via other channels and at Egyptian pound exchange rates which are far higher than the official exchange rate determined by our currency regulation system. This is accomplished at present in the fashion mentioned above.
2. Our present system has failed to provide an incentive to Egyptians working abroad to send the greater part of their savings back to their own country via the legitimate channel--that is, via the authorized commercial banks. The result of this has been that the Egyptian banking apparatus, and along with it the entire national economy, has been deprived of the resources represented by these savings.
3. The consequence has been the creation of a black market for foreign currency in Egypt which is controlled by a small group of large-scale brokers and middlemen who enjoy a virtual monopoly in this market. They make profits amounting to millions of Egyptian pounds because of the huge profit margin earned by those who buy and sell such currency in the black market. This high profit margin exists as compensation for the risk entailed by those who buy and sell foreign currency in the black market since they are subject to being imprisoned or having their property confiscated for violating the provisions of the law. Of course, these huge profits represent corresponding losses incurred by all the various Egyptian importers and losses incurred by Egyptians working abroad who have put their money into savings.

Proposed System of Regulation

In view of the above we feel that the time has come to establish a new system for allowing foreign currency to be bought and sold at a rate of exchange which would result in the disappearance of the obvious disadvantages of the current system--approximately 10 years after the system is first put into practice. This new system would represent a response to the actual state of the Egyptian economy as it exists during its current phase of historical development. The essence of the system of currency regulation which we are proposing is that the first of the three foreign currency markets currently in existence--that is, the Central Bank market--not be touched at all, and that the two other markets--that is, the commercial banks' market and the free black market--be merged into a single market. Therefore our proposed currency regulation system is based on the existence of only two markets for buying and selling foreign currency, and each of these two markets would have its own exchange rate for foreign currency. The first of these two markets would be a central market with a central exchange rate, and the second market would be a commercial market having a commercial exchange rate. The main features of each of the two markets would be as follows:

1. The central foreign currency market. This would be the same as the present-day Egyptian Central Bank foreign currency market, but its current name would be changed because it is unnecessarily long. This market would derive its new name from the fact that the Central Bank would be its location of business--that is, all of the purchase and sales transactions would take place via the Central Bank. The resources of this market would continue to be foreign currencies, and payments in these currencies would continue to be the same as was mentioned above when discussing this market. Furthermore, all transactions would remain in the hands of the Central Bank. This would guarantee that the government would have enough of the foreign currency which is necessary for importing the principal goods, both foodstuffs and other goods, which are necessary for our citizens and enough foreign currency in order to meet the government's general obligations to the outside world. Given the present circumstances of the Egyptian economy, there should be no dispute concerning the necessity of giving absolute priority to the achievement of this goal. The exchange rate which would be utilized in this market--that is, the central exchange rate--would, in reality, be computational in nature rather than economic in nature. In other words, it would be determined on the basis of a decision by the government's responsible economic authorities which would bear in mind a number of important considerations which we will refer to shortly. The exchange rate would not be determined as a result of the forces of supply and demand. The reason for this is that it is obvious that the greater part of the supply of foreign currency in this market comes from public bodies which are considered to be part of the government, such as the Petroleum Authority and the Suez Canal Authority. In addition to this, demand for foreign currency in this market comes from public bodies and ministries which are also considered to be part of the government, such as the Supply Goods Authority and the Ministry of Economy which need to meet public obligations which the government has. Under this system responsible authorities in the government would, in effect, be able to determine the exchange rate in this market by means of a decision that they make.

However, this fact does not at all mean that the level of the Central Bank's exchange rate--that is, whether the exchange rate is low, moderate, or high--would be a matter of little importance. On the contrary, it would be a matter of great importance. In the government alone its importance would consist of the fact that it involves public bodies and ministries, especially the Ministry of Finance and the public treasury. This, however, constitutes a subject unto itself which should be taken up at another time. Nevertheless, there is no harm at this juncture in pointing out the fact that, when a low central exchange rate is set for the U.S. dollar--as is the case with the current exchange rate which is 70 piasters to the dollar--this is something which is advantageous for the public treasury. This advantage involves a corresponding difficulty or burden for public bodies which earn foreign currency resources which enter this market due to the fact that they export petroleum goods or provide the services of the Suez Canal in return for foreign currency. Whereas the payment burden in Egyptian pounds to be made by the public treasury within the framework of the government's public budget would be alleviated--especially when involving the provision of subsidies to persons of limited income and the payment of foreign debt installments and the interest on such debts--the above-mentioned

public bodies would not be able to acquire sufficient Egyptian pounds corresponding to their actual production contribution to the national economy--that is, they would not receive sufficient funds in Egyptian pounds corresponding to their actual share of the GNP. Thus the goal of alleviating the government's public budget burden as far as Egyptian pounds are concerned would be achieved, but the goal of demonstrating the actual production contribution made by the above-mentioned public bodies would not be achieved. Vice versa would also be 100 percent true if the central exchange rate for the U.S. dollar were high. In general, in this regard we feel that it is necessary to establish a sort of judicious balance between the goal of alleviating the burden on the public budget and the goal of showing the real production contribution by the above-mentioned public organizations--with the second goal gradually taking precedence over the first one, and doing so in phases during the next few years.

In our view, this requires that we begin, within the framework of the system for regulating foreign currency transactions which we are proposing, with the U.S. dollar exchange rate in the central market being based on the exchange rate currently prevailing in the commercial banks' market--that is, an exchange rate of 84 piasters to the dollar. We consider this to be a moderate exchange rate at the present time for the transactions which are going on inside this central market. In such a case, the central exchange rate would become the price of the Egyptian pound posted by the Central Bank. At this point we should remark that the increase in the burden on the state public budget due to the higher exchange rate of the dollar would, to a great extent, be compensated by the increase in taxes on their revenues paid by the above-mentioned organizations to the public treasury as well as the increase in extra profits which they would be earning after the increase in the revenues in Egyptian pounds which they would be earning due to the above-mentioned exchange rate.

2. The commercial foreign currency market. This would be a combination of the best features currently existing in the latter two foreign currency markets, that is, the commercial banks' market and the free black market. The commercial market would adopt from these two existing markets the most favorable characteristics which they have, the most realistic features which they contain, and the features which most appropriately respond to the situation and conditions characterizing the Egyptian economy at the present time. First of all, the commercial market would include all people currently dealing in foreign currency in the two above-mentioned existing markets, whether they were buying or selling such currency. This would consequently result in expanding the scope of the market so that it would encompass both of the above-mentioned existing markets. In addition to this, the exchange rate in the commercial market--that is, the commercial exchange rate--would be freely set in accordance with the forces of supply and demand involving foreign currency. In other words, the exchange rate would be an economic exchange rate which would reflect the demand for this currency in relation to the degree to which the currency is available in the market. This is what the situation is right now in the free black market, and is the opposite of what the situation is in the commercial banks' market. Also, the location of the commercial market would be the Egyptian banking apparatus because there would be no need to have a black market for foreign currency, as we shall see later on. This would mean that all of the transactions in this market would be carried on via authorized commercial banks. This would be like what is done in the commercial banks' market

and would be the opposite of what is done in the free black market, and this is why we would name the market the "commercial foreign currency market." And lastly, the commercial market would be a legitimate market like the commercial banks' market and unlike the free black market. If this were done, Egypt would have a regulated legitimate foreign currency market in the academic and technical sense of the word, and this would be true for the first time since the end of World War II. In addition to this, the phenomenon of having multiple exchange rates in the Egyptian market would disappear because there would be a single commercial exchange rate.

At this point I would like to make three relevant remarks: The first remark is that the foreign currency exchange rate which would prevail in the commercial market would not be higher than the exchange rate which currently prevails in the free black market or the exchange rate which would have prevailed in it in the future. This would be true as long as the exchange rate would be set in each of the two markets according to the same method--that is, freely and in accordance with the forces of supply and demand involving foreign currency. In fact, we would expect the commercial exchange rate, which would prevail in the commercial market, to be lower than the exchange rate currently prevailing in the free black market or the exchange rate which would normally prevail in this market in the future. We have various reasons for expecting this, and we will mention them shortly. The second remark is that we, with our own eyes, see that the prevailing exchange rate in the free black market has been, and still is, an exchange rate which has actually been acceptable to the Egyptian market and an exchange rate on the basis of which this market is conducting its transactions at the present time. Not only private sector companies and individuals have been forced to accept this exchange rate. Public sector companies and the government itself, as represented by the Central Bank, have also been forced to accept it. Not only private commercial banks have been forced to come to grips with this reality and conduct transactions based on this exchange rate--public sector banks have also had to do this. The fact is, then, that the idea of having a commercial market and a commercial exchange rate for foreign currency is not something which is strange to those who, at the present time, are buying and selling all types of foreign currency in the Egyptian market. In fact, they are totally used to this kind of thing. The third and last remark is that, right now, we should not be asking the responsible economic authorities in the government whether or not they recognize or do not recognize the free black market. This market does in fact exist, whether or not these authorities recognize it. All of the police raids--no matter how large-scale they are--against those buying and selling foreign currency outside the framework of the banking apparatus can, at most, serve to suppress this market only to a small degree and only for a short period of time. They can never eliminate it totally, and there is one simple reason for this fact: The reason is the fact that this market actually responds to the real economic needs of broad sectors of the Egyptian population. There are Egyptians who possess foreign currency which they have saved [and earned] by means of their own efforts and they wish to get the best possible price for it--and this is their right. There are other Egyptians who wish to obtain foreign currency in order to be able to continue their business activities, but the banking apparatus in Egypt is unable to provide it to them--and this is not their fault. The truth is, then, that the question

which we should be directing to the responsible economic authorities in the government is the following: Are you prepared to confer the status of legality upon the free black market by including it into the commercial banks' market within the framework of a single foreign currency market which would constitute a commercial market of the type which we are calling for the establishment of?

[14 May 83]

[Text] The proposed currency regulation system has advantages, and its disadvantages will only hurt the currency merchants and brokers, and it will enable us to get rid of the "arsenal" of legal provisions and laws which regulate the buying and selling of foreign currency.

The "Business Page" [of AL-AHRAM] is hereby presenting the second part of the study produced by Dr Ahmad Jami' concerning the issue of regulating the buying and selling of foreign currency in Egypt. As is the case with any system, the system proposed by Dr Jami' has both advantages and disadvantages. However, the question which should be asked is: Advantages for whom, and disadvantages for whom?

There is no doubt about the fact that the system for regulating the buying and selling of foreign currency and for establishing the exchange rate for foreign currency which we are proposing is one which would have certain advantages, the most important of which are the following:

1. The government, as represented by the Central Bank within the framework of the central foreign currency market, would continue to obtain relatively abundant and stable sources of foreign currency. This would, to a large degree, guarantee the government's capability of importing principal commodities.
2. There would be an increase in the foreign currency resources of the commercial market because of the ability of those possessing such foreign currency--in particular, Egyptian savers working abroad--to obtain an economic exchange rate in a legitimate and free market for their foreign currency savings which would be set in accordance with the laws of supply and demand. This would happen after the elimination of the great obstacle which, at the present time, prevents them from converting their foreign currency savings via commercial banks. This obstacle is the fact that the exchange rate offered to them by these banks for their foreign currency savings is lower than the rate which they can obtain in the free black market--although this market is an illegal one. This would happen, then, after such savers are no longer forced to sell the foreign currency which they possess in this black market in a manner which is in violation of the law. The increase in supply of foreign currency in the commercial market would lead to a decrease in the exchange rate for these currencies so that it would be lower than the exchange rate currently prevailing in the free black market or lower than the exchange rate which would prevail in the black market in the future. This is a sound technical economic measure which would guarantee that the foreign currency resources of the Egyptian banking apparatus would increase.

The End of the Black Market

3. The black market in Egypt would come to an end because of economic policy rather than because force would be used to end it. This is because, at the present time, there are two actual economic reasons for the existence of this market, and it is because of these two reasons that this market was established. When these two causes are eliminated, the black market will also necessarily come to an end. The first of these two reasons is the fact that people who possess foreign currency want to sell it at a market price which is determined in accordance with supply and demand rather than at a price which is lower than a market price which is determined in this manner. The second reason is the fact that there are people who wish to buy foreign currency at the market price but cannot find any legitimate body within the government which will sell it at such a price. Obviously all such people who wish to buy and sell foreign currency at market prices would be able to easily do so in the event of the establishment of a commercial foreign currency market of the type mentioned above. If this happened, the black market for foreign currency in Egypt would come to a natural or economic end after the two causes of its existence were eliminated. If the black market is not ended in this manner, then it will never come to an end.

If the black market comes to an end and the commercial foreign currency market comes into existence, then there will be no more police raids against those who deal in foreign currency in the black market in Egypt and this situation would be replaced by normal economic relations between persons wishing to buy and sell foreign currency via authorized commercial banks. These banks would then finally be able to exercise their essential banking function in the area of foreign currency--that is, the function of middleman between buyers and sellers of foreign currency.

We have already pointed out the fact that the brokers and middlemen who deal in foreign currency in the black market are earning large profit margins and are forcing buyers and sellers of foreign currency to accept these large profit margins. They demand these large profit margins in order to compensate themselves for the risk which they undergo due to the fact that their business is an illegal one. These large profit margins serve to decrease the purchase prices of foreign currencies in the black market which are purchased via the black market currency dealers, and, at the same time, they tend to raise the prices for selling such foreign currency via the currency dealers in the black market. Whenever the noose tightens around the necks of these black market merchants, the profit margins go up. So the loss, in the final analysis, actually is borne by those who resort to this market to buy and sell their foreign currency.

However, these large profit margins of the currency merchants in the black market would, of course, disappear if a commercial market existed because these merchants themselves would disappear, and such large profit margins would be replaced by normal profit margins which would be normally charged by commercial banks.

Arsenal of Legal Provisions and Laws

At this point we should not forget to mention that the demise of the foreign currency black market would be accompanied by the end of the present-day arsenal of legal provisions, laws, bookkeeping, invoices, records, and forms--"including all of those which are on red paper!" [common law]--which currently regulate the buying and selling of foreign currency in Egypt. These are all encompassed by Law Number 97 of 1976 and this law's implementing regulation. This implementing regulation is one which has been modified 51 times since the law was issued--that is, an average of once every 50 days!

4. The system of importing without currency conversion would be merged into the commercial foreign currency market. The reason this is true is that there is a very close relationship between the manner in which foreign currency transactions are regulated and the manner in which transactions involving importing goods from abroad are regulated. The reason for this is that a person who imports commodities from abroad naturally needs to have foreign currency in order to pay foreign merchants for these goods. This is why there is a close relationship between foreign currency transactions and importing transactions. As one of the positive steps introduced by the open-door economic policy, ever since 1974 importers have been allowed to import a large category of goods without having to ask commercial banks for foreign currency in order to pay for the goods. This was true both within the framework of the parallel market which existed till the end of 1978, and has been true within the framework of the commercial banks' market which has existed ever since the beginning of 1979. This system is now known as "importing without currency conversion." Since early 1979 the exchange rate of the dollar within the framework of this system--that is, within the system of the free black market--has begun to be higher than the exchange rate determined by the commercial banks' market. The gap between these two exchange rates has continued to increase, such that, at the present, it constitutes more than 30 piasters per dollar. For this reason, whoever has foreign currency and wants to exchange it for Egyptian pounds has an obvious economic interest at stake here. One of the advantages of establishing a commercial foreign currency market is that there would be no difference between the exchange rate in transactions involving foreign currency within the framework of importing without currency conversion--transactions which, at the present time, are based on relatively high foreign currency exchange rates--and foreign currency transactions which take place within the framework of the commercial banks' market--transactions which involve very low exchange rates. Thus the system of importing without currency conversion would be merged into the commercial foreign currency market and all importing transactions would take place by means of the conversion of foreign currency purchased in this market in accordance with commercial exchange rates and through commercial banks.

Let us also not forget that the establishment of this market would solve the problem presented by Decree Number 119 of 1978 which forces importers to accept a profit margin based on the exchange rate of 84 piasters to the dollar. The fact is that they cannot obtain dollars at this price. However, if a commercial exchange rate actually existed, this would then be the sole basis for computing the cost of an imported commodity.

The Government Intervenes

5. According to our system, the government would be able to intervene in the commercial market, but only by means of technical economic measures. Such intervention would be of two types--direct and indirect. In the case of direct intervention, the government, as represented by the Central Bank, would have the purpose of changing the volume of either supply or demand of foreign currency in this market. The government would be able to go to the commercial market and purchase foreign currency in order to supplement its requirements in case it does not have enough foreign currency resources available to it within the scope of the above-mentioned central market in order to meet its needs. Of course, the government would have to purchase foreign currency at the commercial exchange rate. The fact of the matter is that, at the present time, this type of intervention by the government is nothing new, and we have already mentioned this fact. In addition to this, the government, within the framework of direct intervention, would be able to go to the commercial foreign currency market in order to sell its surplus foreign currency for the purpose of lowering the commercial exchange rate by means of increasing the supply of foreign currency. Of course, in view of current circumstances, it is impossible to visualize the government undertaking this latter type of intervention in view of the fact that the government is in need of more such foreign currency in order to supplement its foreign currency resources. However, one could visualize the conclusion of an agreement with the IMF in case a commercial foreign currency market is established--an agreement in accordance with which the government would receive several billion dollars which it would wisely utilize--within the framework of an independent fund which would be part of the Central Bank's foreign currency expenditures budget--for the purpose of increasing the supply of foreign currency in the commercial market in order to lower the exchange rate of foreign currency.

In the case of indirect intervention in this market, the government would have the purpose of following various economic, financial, tax-related, and monetary policies in order to influence the behavior of persons dealing in this market as far as foreign currency supply and demand are concerned. One example of such intervention is for the government, "as represented by the Ministry of Finance in consultation with the Ministry of Economy," to raise the rates of customs duties imposed on imported luxury consumer goods--so that they will become prohibitive customs duties for highly luxurious goods--in order to decrease the volume of demand for foreign currency in the commercial market after the sales prices of such goods inside Egypt have gone up. Such an action would subsequently decrease the commercial exchange rate. If this takes place, but if this goal is not achieved and the trend toward importing such commodities continues because persons having very high incomes insist on consuming such commodities in spite of their very high prices, then there would be no objection to this, and there are two reasons for holding this point of view: The first reason is that this would bring about an increase in the foreign currency resources of the government due to the high customs duties collected by the government which the government could then utilize to finance the subsidy of consumer goods for the masses and this would consequently alleviate the burden borne by the government's public budget. The second reason is that, if there would continue to be local demand for such imported consumer goods, this would alleviate the pressure involved in the demand for locally-produced goods.

Serious Disadvantages

The study presented by Dr Ahmad Jami' does not ignore the disadvantages which would be involved in the new currency regulation system.

However, the question is: Who would suffer from these disadvantages? Of course, they would not be disadvantages for the government because the government would continue to obtain all of the foreign currency which it now obtains from the international market by means of the Central Bank market. It would also be able to supplement its needs via the second market at the commercial exchange rate. Furthermore, importers would be able to continue to purchase foreign currency at commercial exchange rates and Egyptian workers abroad would also be able to sell their foreign currency savings at commercial exchange rates. The disadvantages would be disadvantages which would be felt by only one category of people--the brokers and middlemen [in the black market]. They would lose the millions which they are earning every year at the expense of those who supply and demand foreign currency as well as at the expense of the national banking apparatus. For this reason these disadvantages would be very serious disadvantages for them.

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CSO: 4504/402

IMPACT OF OIL GLUT ON EXPATRIATE WORKERS EXAMINED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 748, 16 May 83 pp 9-11

[Interview with Dr Mahmud 'Abd-al-Fadil, assistant professor of economics at Cairo University, by Jamal Zayidah and Mustafa Immam: "Petroleum and the Future of the Expatriate Egyptian Workers"; date and place not specified]

[Text] In this issue, AL-AHRAM AL-IQTISADI continues the dialogue and discussion of the issue of "the future of the expatriate Egyptian workers" in the light of the fall in the price of petroleum and the decrease in the output of petroleum in the Arab oil states. In this issue, we have interviews with two Egyptian economists who present their views of the changes happening in the Arab oil states and the influences these changes have on the use of Egyptian workers. They present their suggestions for those in Egypt who are concerned with this important issue.

Dr Mahmud 'Abd-al-Fadil is an assistant professor of economics at Cairo University and one of the Egyptian economists who has closely followed the phenomenon of temporary migration to the Arab oil states by Egyptian workers. After long study of the phenomenon, he has announced his adoption of the pessimistic scenario which holds that the decade of the 80's will witness a fall-off in demand by the Arab oil states for Egyptian workers. He also thinks that demand for Egyptian workers will be at low levels. To be more precise, how does Dr 'Abd-al-Fadil think that the phenomenon of temporary migration will influence Egyptian society? On what supports has he built his adoption of the pessimistic scenario?

Dr 'Abd-al-Fadil says that in order to measure the dimensions of the phenomenon, one must concern himself with those who insist on going abroad and profit there, which is to say the labor force, in addition to the Egyptians who accompany them. These people are influenced by the phenomenon of migration in many ways, among the most important being consumption. In addition, the phenomenon of migration transfers to them new customs and concepts. One must also concern oneself with those here at home who are supported by means of the remittances sent back by their relatives abroad. The mode of consumption of these people is influenced by the phenomenon of migration, as well as some of their values without their leaving Egypt. In addition, there is the rate at which migration rotation occurs. For example, it is not enough when studying the phenomenon to mention the number of Egyptians working abroad at any one

particular instant of time. Rather, one must be concerned with the rate of turnover in migration during the last ten years, since the stock of Egyptians abroad is renewed three or four times in such a period. That is, the phenomenon has spread. The migration is a circular process or a process of turnover leading to the fact that the migration has expanding dimensions. The main thing is not the stock of those abroad right now; rather, it is the number of those who have fallen into the trap of migration. Everyone who migrates to the Arab oil countries gets used to a level of income and consumption, as well as of education and tourism which cannot be equalled when they return to Egypt. Immediately upon return the professionals and other tradespeople start thinking about going abroad again. In other words, this leads to them becoming addicted to migration.

The phenomenon of migration is considered relatively new in Egyptian society. From the time of Muhammad 'Ali, with the exception of periods of warfare, there has been no such emigration of Egyptians as is occurring currently, which has come to include everyone from former ministers to former doorkeepers. This represents a new dimension in the cultural, social and economic life of Egypt. It is possible that this phenomenon will lead to a civilization-wide decline, because it sets the value of money off against the value of work, the value of belonging to the fatherland off against that of belonging to the outside. But, from another point of view, it is possible for the transfer of labor to be something positive. By means of migration, society has exported a portion of its economic crisis abroad. Migration has also led to an increase in the gap between nominal incomes and real prices. Many are now forced to either join the new society or emigrate, and many have decided to emigrate. The phenomenon has led to an increase in the effects on Egyptian society of emulation as well, and to an increase in the level of consumer expectations.

The Decade of the 80's...and the Beginning of Retrenchment

Question In the light of the new developments which have occurred in the Arab oil societies in the wake of the fall in oil prices on world markets and the effect that will have on development plans in those countries, what is the future of the Egyptian workers in these countries?

Answer I believe that the decade of the 1980's will see a decrease in the role of oil country demand for Egyptian labor as a result of three factors.

The first factor: The effect of the fall in oil revenues on these countries in nominal and real prices. It is unavoidable that the decline in nominal and real incomes will be reflected in a slowing of the rate of public spending and of growth. It is alleged that the Arab oil countries can maintain their level of current and developmental spending by withdrawing some of their deposits from abroad. The answer to that is that if the oil countries are compelled to draw on their petrodollar deposits abroad, they will not be able to feel affluence in financial terms that let them spend as they wanted.

The second factor: The effect of the satiation in some sectors, which was bound to occur if oil revenues fell or not and which in fact began to occur at

the beginning of the 80's. The building and construction sector, which was the true engine of development spending in all the Gulf oil countries, accounting for between 50 percent and 60 percent of all investment spending as exemplified by harbor and airport construction, road and bridge building, the construction of housing complexes, and the construction of new, public projects, started to cool down. These projects reached peak growth before the recent crisis, and it was expected that the demand for Egyptian labor connected with building and construction operations--including all the trades, from "builders, to steelmen, to painters, to plasterers, to carpenters, to inspectors and construction engineers," would witness a decline.

The third factor: The effect of Asian workers starting to replace Arab and Egyptian workers. This tendency began in 1977 in the UAE, and then in Kuwait and Saudi Arabia, since it was possible for replacement to be successfully accomplished in many areas, such as building and construction workers, nurses, physicians, and service workers. Replacement took place for two reasons: first of all, Asian wages are low with respect to Arab workers; secondly, for reasons having to do with security.

Preparing for the Season of Return

On the basis of these factors, we can expect a gradual fall in the numbers of Egyptian workers working in the Arab states in the 80's, with 1993 marking the end of the season of migration to the Gulf which began in 1973. All the variables on the horizon indicate that this season will end during the coming ten years.

It will end gradually, not all at once. This will allow Egyptian planners to begin to prepare for the season of the workers returning, if they do not deny the phenomenon of the return. They can begin to prepare inside the country on two levels:

First, agreements and protocols can be made with all countries in which there are Egyptian workers. The yearly magnitude of the return can be planned with these countries in order to organize the yearly return process.

Second, during the return, the Egyptian side will have to guarantee the rights of the returning workers to termination-of-services bonuses and compensation, as well as guaranteeing the moral and material rights of the no longer needed workers both ahead of time and via agreements with the nations in which they work. Then preparation can begin to receive the returning workers on the level of the Egyptian economy by organizing work and employment to absorb them in the sectors in which they have gained new skills. An agency must be set up to provide guidance, help, facilitation of credit, etc. If the state has projects of a development nature, these workers ought to be directed into them. A similar experience happened in Turkey at the end of the 1960's, when Germany froze the number of Turkish workers going to work there and a large number of them returned, thereby changing their earning status from that of wage laborer to employer. The state made it easier to acquire credit. We can be guided by this experience, since the industrial Development

Bank could grant loans to small depositors and businessmen. We must not let them be rolled over. Rather, they must be integrated into the context of a new view of development.

We must begin now to conceptualize and plan; we cannot wait until the problem is upon us. In other words, we must be conscious that this variable is coming, in order for these shocks to be absorbed by the Egyptian economy more easily.

[Question] A number of international financial institutions have done numerous studies on the future of the movement of labor in the Arab region. Some adopt the pessimistic view, while others adopt the optimistic view, according to which dependence on Arab labor in the region will increase. Where do you stand vis-a-vis the two points of view?

[Answer] I am among the adherents of the pessimistic scenario. In my estimation, the growth in demand for Egyptian workers will not be repeated in the 1980's. Growth could occur, but it will happen at slow rates, whereas growth in demand during the past period was characterized by explosive rates. Taking the cautious view, this does not prevent one from looking for the sectors in which growth can happen, in order to maintain the presence of Egyptian workers in these sectors. This is one of the duties of those who draw up planning policy, so that it will be possible to maneuver on the largest field possible. But it is beyond argument that the general margin for maneuvering has narrowed.

There is an important factor which may escape the notice of the proponents of the optimistic scenario, namely, that people's motivations for migrating are material and are not represented, as some believe, in the differences in nominal wages and real wages between Egypt and the Arab countries. The crucial variable in the decision to migrate does not lie in the margin of real savings, meaning how much a given quantity of savings will buy in terms of goods and services. If we look at the factors which control the margin of real savings arising from the migration, we find them to be represented in: the level of nominal wages paid in the receiver country, the margin of savings remaining after consumer needs have been covered, which margin may be eaten away gradually due to inflation, and the exchange rate at which the savings are transferred from the country of migration to the country of origin. If the exchange rate deteriorates, this will produce a contraction in the magnitude of the savings. Now, if we imagine that the scenario of the 1980's will not allow a big or noticeable increase in nominal wages, while inflation continues right along, and the exchange rate in most of the Gulf countries deteriorates due to the fall in petroleum revenues, then we will witness some phenomena which have not started to occur in Iraq: a fall in nominal wages, with the wage of a construction worker in some countries having fallen from 8 riyals a day to 5, along with a continuation in the fall of the saveable surplus in the country of migration, as well as a deterioration of the exchange rate, meaning that one dinar in Iraq buys a smaller number of Egyptian pounds.

If something like all this happens, then the automatic incentives which push people to migrate will be vitiated as a result of the fact that the

small difference in the real surplus which one can save may no longer exceed the cost of going abroad and migrating, with all the problems attendant thereon. Consequently, a decrease in emigration size and flow or an increase in the flow of Egyptians back to Egypt would occur for reasons having to do with market forces, and not with mass abstention from the services of Egyptians abroad or the failure to renew the work contracts of Egyptians working abroad.

Therefore it is necessary, from the point of view of guiding planning policy in the coming phase, to identify the attractive sectors and those that still have potential for attracting workers, because without doing a study to identify the unattractive sectors and the attractive ones, it will not be possible for us to draw up a rational labor policy. This is inseparable from the operation of scientific research, or the question of whether it is possible to determine scientifically what can be said about the effect of saturation!

The Ministry of Planning...and the Courage of Confrontation

I would not have written this commentary if it were not for our responsibility to the respected readers and to an issue which, as we fully realize, must be confronted scientifically, bluntly, and courageously!

While AL-AHRAM AL-IQTISADI was preparing a series of investigations on "the future of the Egyptian workers in the Arab countries after the fall in the price of petroleum" and the possibility of these workers returning, even if gradually, as well as the extent of our readiness for the various possibilities, it was necessary to interview a number of officials on a higher level in the ministries which take an interest in this issue. The first of these officials was Mr Sa'd Muhammad Ahmad, the minister of labor, who welcomed the request by AL-AHRAM AL-IQTISADI and issued instructions to help its representatives in their task by letting them have all the statements and data which they asked to study. Moreover, he gave more than two hours of his time to the magazine for an interview in which he answered all the questions put to him with directness and in full.

The representative of the magazine went to the office of Dr Kamal al-Janzuri, the minister of planning, to ask for the statements he needed to define the position of the 5-year plan vis-a-vis the issue and to set the date for an interview in which the minister could reply to the questions raised by the numerous scenarios of the subject. He also wanted to confront him concerning the degree of veracity of some statements which the minister had made in a newspaper about the 5-year plan's conception of this issue. The director of the minister's office had asked the magazine's representative to get in contact with her in order to set the date. The representative contacted her more than once. Each time, she apologized, saying that the minister was very busy. After more than a week, the office director informed the representative that the minister did not want to discuss this subject and did not have enough time to meet the magazine's representative.

In reality, it is the right of the minister of planning to refuse to meet anyone he does not want to meet. However, the problem is that the viewpoint of the planning minister, who bears the responsibility of defending the development plans, on this issue is important since the future possibilities which are discussed in the portfolio being prepared by AL-IQTISADI depend to an essential degree on knowing the abilities and conceptualizations of Egyptian planners of the future possibilities of the issue, which is the topic of the portfolio. This must be done in the light of interviews with some human resources specialists, who confirmed the invalidity of announcements to the effect that the 5-year plan contains numerous possibilities concerning the issue of Egyptian workers abroad, and that it is a flexible plan!

However, the minister refused to talk, or to make the task of the magazine's representatives easier. This is a matter which is totally inconsistent with the freedom of the journalist to obtain the statements and data which are necessary to the issues which he presents to public opinion, in order to guarantee the correctness of what he publishes.

Despite our respect for Dr al-Janzuri, the current director of a great scientific institute known as "the National Planning Institute," we regret that he evinces this sort of behavior.

We say: Fear will not create Egypt's future, but confrontation. Courageous confrontation of problems and facts, no matter how bitter, is the essential way to solve Egypt's problems. As for looking at things in the light of narrow political calculations, that will not solve a thing!

12224

CSO: 4504/441

PRODUCTION OF FOODSTUFFS, LIGHT INDUSTRIAL GOODS DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 748, 16 May 83 p 5

[Article: "Food Production...And the Dream of Sufficiency in Egypt"]

[Text] Engineer Muhammad 'Abd-al-Hadi Samahah, the minister of irrigation, stated at the Food Production in Egypt Conference, which was held at the Egyptian Academy for Scientific Culture, with participation by the Academy for Scientific Research and Technology, that it was necessary to incorporate water within the framework of economic accounting for projects, so that it would not be wasted or used in a negligent fashion.

He also demanded that the state agree to the suggestion to set aside subterranean water for drinking purposes only, in addition to treating water from factories before pouring it into the sewers, so that it could be reused.

Engineer Samahah indicated that the amount of water available for use now was 60.67 billion cubic meters per year, of which 3.3 billion cubic meters was used for drinking, 2.5 billion for industrial uses, and 42 billion for non-industrial uses. As for the needs of agriculture, they amount to 42 billion cubic meters, under the current irrigation system.

The ministry of agriculture presented a comparative study of self-sufficiency schedules in relation to wheat, cotton and corn harvests between the years 1960 and 1980. Average self-sufficiency in wheat reached 70 percent of total domestic consumption in 1960, falling to 25 percent in 1980, the reason for the fall in the degree of self-sufficiency being the increase in per-head consumption, which rose from 80 to 171 kilograms per head.

The state decided to reduce the area planted with cotton from 2 million feddans to one million producing the same level of output, or 10 million qintars of cotton, due to the choice of better varieties and high resistance to pests. Scientific research into corn production led to the selection of varieties that produce 24 ardebs per feddan, which compares with other varieties which used to yield only 11 ardebs.

The scientists were able to increase the area planted with soy beans to 146,000 feddans, with an average output of 1.1 per feddan.

In a study presented by Dr 'Abd-al-Latif 'Isa on pest control, the doctor delineated the most important directions and modern modes which Egyptian scientists have arrived at in the area of pest control, including the preparation of cotton and almond worm hormones in order to decrease the number of male pests by spraying the fields with a pesticide consisting of a sexual attraction agent which prevents the male pests from reaching the females. In addition, there is the process of sterilization by means of radiation, which can produce 500 million sterile males a week and distribute them in the fields without killing them.

Dr Husayn al-Hamawi talked about horizontal expansion, agricultural intensification, and loss reduction. In this context, he mentioned his experiments carried out by the ministry of agriculture in which it planted two main crops on the same land in the same manner, despite the exhaustion of the earth, the inadequacy of the means of water delivery and the absence of organic fertilizers.

Given the limited extent of agricultural land, the solution to the problem of fodder can only be arrived at by developing the fodder industry and turning to non-traditional sources, in order to turn all field waste, such as fire wood, straw, and plant stems into fodder, in addition to the introduction of ammonia, molasses, urea, and poultry waste.

Dr Fathallah al-Makil talked about agricultural manufacturing, which produced 600,000 tons of sugar, 296,000 tons of molasses, 152,000 tons of artificial cooking butter, 227,000 tons of cleaning soap, 136,000 tons of animal fodder, 21,000 tons of cheese, and 5,000 tons of tomatoes.

It is amazing that the productive capacity of the tomato paste factories reached 22,000 tons, while they in reality do not produce more than 5,000 tons, meaning they are running at full capacity for only seven days a year.

The problem of the lack of exploitation of the productive capacity of the factories influences as well the output of the various kinds of juices, a field in which Egypt used to be the pioneer, but where it now finds competition from India and Indonesia. Egypt no longer has a bean canning industry, due to regulation, while the public sector companies that manufacture preserves showed losses totaling 7 million pounds last year, with Edfina [company] losing 9 million.

The doctor talked about the problems of agricultural manufacturing, at the head of which stands the error of making a political decision without doing an integrated scientific study of the subject in question. The policy committee of the cabinet decided that the individual farmer was not responsible for the type and quality of the sugar cane delivered, but only for the weight, meaning that the farmers will now increase the irrigation of the sugar cane so as to increase its weight superficially, in addition to delaying delivery. This in turn means that the companies in the sugar industry will be forced to use a higher level of energy for the evaporation process, while obtaining a lower percentage of sugar.

Another decision was issued which forbade fishing in the area of al-'Arish as far as Rafah, although it is a region where shrimp, grey mullet and danis are produced. At the same time, the state has agreed to the importation of turnip oil, which is unfit for human consumption, and is trying to set up general specifications for oil, without classifying it as corn oil, cotton seed oil, and other oils.

This specification system will lead to the confusing of those varieties of oil that are fit for human consumption with those that are used only in industrial processes, under the excuse of reducing total payments.

12224

CSO: 4504/441

SUGAR PRODUCTION, CONSUMPTION VIEWED

Cairo MAYU in Arabic 27 Jun 83 p 12

[Article by Kamal-al-Din Husayn And Ilham Al-Bahnasawi: "Decreasing Production And Increasing Consumption Of Sugar In Egypt--How And Why?"]

[Text] For many years, Egypt was on the list of sugar exporting countries. However, this situation has not continued but rather has been diminishing gradually until Egypt has become one of the sugar importing countries. Huge sugar imports reached 600,000 tons annually, according to statistics. How will Egypt return to the world map in sugar exports, especially since world indicators emphasize that the world sugar reserves are dwindling, while we find our consumption rate steadily growing?

To begin with, sugar cane cultivation experts attribute the problem to the significant shrinkage of sugar cane plantation areas, especially in Upper Egypt which occupies top position in the cultivation of this crop. The shortage results from a tendency toward other crops that give a better return. The problem, experts still maintain, also stems from the delivery of only 75 percent of the sugar cane crop to sugar making plants, while the rest is channeled for traditional consumption. Besides, these factories need to be renovated to suit scientific progress and modern technology.

If these are the major problems, what quick fixes do experts propose?

Experts emphasize that such alternative sugar making crops as beet and sugar corn must be expanded, agricultural ownership for sugar production must develop, and attention must be paid to the selection of quality breeds that give high yields and richer harvests. How can this happen?

Statistics prepared by competent authorities point out that the individual consumption share was up to 28 kilograms in 1981, from 22 kilograms in 1977. Thus, Egypt's sugar consumption was about 1,100,000 tons annually, while locally produced sugar did not exceed 682,000 tons. A 418,000-ton gap between consumption and production occurred, forcing the state to cover the deficit by importing up to approximately 592,000 tons. This happened while world sugar reserves were steadily decreasing because many sugar producing countries ceased production. Instead, they used sugar cane for producing alcohol to replace oil.

Sugar cultivation in Egypt has many problems, the most important of which is that farmers are reluctant to produce it and are not uncommitted to deliver their entire crop to factories. Thus, the cultivated area is 1545 feddans less than last year's. Agricultural experts maintain that beet and sugar corn are rewarding sources of sugar production and cost less. The question is therefore: why don't we expand on their cultivation, this being our only outlet from this crisis?

Steadily Increasing Consumption

According to Engineer Faruq 'Afifi, head of the Permanent Sugar Council, sugar production has increased up to 682,000 tons in 1982, 148 percent higher than the 1969 level. Yet, there is still a gap, meaning that the volume produced does not meet the consumption requirement of up to 1,100,000 million tons, 233 percent higher than the 1969 level. The accelerated sugar consumption that exceeded production, despite a steady growth in sugar cane production from 1969 to 1982, resulted in a widening gap between production and consumption, which reached 148,000 tons. To cover that gap, the state was forced to import about 592,000 tons in 1981. Sugar imports steadily increased from 1977 to 1981. The steadily growing imports despite the increasing production are attributable to the population increase in addition to the growing individual consumption levels.

Further, the horizontal expansion of sugar cane comes at the expense of either newly reclaimed or poor lands, where sugar cane productivity is uneconomical. But the vertical expansion is realized through the employment of modern agricultural techniques; developing new high yield types; improving drainage and irrigation; leveling operations and undersoil plowing; providing the amounts of gypsum necessary for improving lands; agricultural consolidation and simultaneous planting times to facilitate the introduction of agricultural mechanization beyond plowing in sugar cane cultivation.

[Other factors are] availing crop service machinery; extending grants and loans for machinery purchases; cleaning drainage systems through the Ministry [of Irrigation] and the governorates by renting or purchasing needed cleaning machinery; combatting weeds through [farmers'] payment of LE ten each for spraying the crop with insecticides.

'Afifi added that the council had drafted a contract for sugar cane delivery to sugar plants that would strike a balance between the demands of farmers and those of the Egyptian Sugar Refining Company. The draft contract provides that the state will bear the financial burden resulting from the enforcement of the new contract. In addition, credits are to be raised to LE 50, training sessions and extension forums are to be held, and films are to be shown to demonstrate means of cultivating the crop from planting to harvesting.

Faruq 'Afifi emphasizes that sugar cane acreage is diminishing in the world, but increasing in Egypt. Productivity is also growing. Egypt has become the fourth country in the world in terms of productivity, preceded by Peru, USA and Australia. A single feddan in Egypt produces up to 34 tons, but the problem is in delivery. The output of only 74 percent of the cultivated area is delivered to sugar plants. The problem facing the sugar industry is that 93 percent of Egypt's sugar cane acreage is found in the Upper Egyptian industrial regions. In the current season, the sugar cane cultivation acreage decreased by 1545 feddans from last year's estimates; and the sugar cane cultivation in the sugar production regions in the 1981/82 season was 1494 feddans less than the previous year's acreage.

Problems of Agriculture And Aging Plants

According to Dr Ahmad Hasan Nur, dean of the Sugar Crops Research Institute, the sugar cane crop faced many problems in the past years, leading to low productivity. Among the problems was the expansion of sugar cane cultivation on poor and reclaimed lands to meet factory demands, the deterioration of soil in the old lands, the slow improvement processes, irrigation and drainage problems, irregularity in irrigation alternation, the poor and inadequate conditions of the drainage network, as well as labor shortage and poor quality in sugar cane regions, a factor leading to higher wages resulting from labor migration, and causing the abandonment of some agricultural processes. On the other hand, factories in operation have outlived their estimated lifetime and failed to absorb sugar cane loads during the ideal time for juice extraction. There are also the scarcity and insufficiency of transportation means, the irregularity of train car distribution, delays in sugar cane crushing and supply, the extension of the juice extraction season to the end of June, a factor affecting to a great extent the crop left over from the previous season.

Other problems include the tendency among many sugar producing countries like Brazil, the Philippines and Cuba to divert a great portion of sugar cane to the production of alcohol to overcome the energy crisis. This situation has led to the reduction of the world sugar reserves while consumption is growing.

Blossoming Sugar Cane For The First Time

To have blossoming sugar cane in Egypt was possible under normal conditions for the first time. Previously Egyptian sugar cane had no blossoms. But it became possible to obtain fertile seeds from sugar cane types and to develop these types in Egypt through local crossbreeding. Thus, we obtained the best high yield breeds.

Farm Workers Migration

Engineer Ahmad Abu-al-Wafa', Director of Kowm Umbo REsearch Station For Sugar Cane REsearch, adds that the migration of farm workers is considered among the major problems in the governorates. It has significantly effected the sugar crop which is left unharvested in the fields because of the farm manpower shortage. After harvesting, the crop faces problems of transportation and loading also caused by manpower shortage. Resulting from all this is the loss of a great percentage of the sugar component of the crop due to evaporation. Later, the fellah is involved in several problems with the factory because of either insufficiency or a decline in the percentage of sugar predetermined by the factory. The problem is reflected on the farmer who cashes less than what he expects. In respect to these problems, many sugar cane farmers cease to cultivate it or deliver it to plants. They may deliver a part and retain another to sell to juice shops and molasses factories. For this reason, agricultural mechanization must be expanded, as it is the only means of improving the sugar situation. To some extent, Aswan National Company For Mechanization has resolved some of these problems, but we need more expansion.

Sugar beet is viewed by Taha Mustafa Fayid, deputy director of the Sugar Crops Research Institute, as an easy and cheap source of sugar and a supplement for sugar cane in sugar production, especially since sugar cane cultivation suffers from many problems such as a lack of manpower and high costs. As a sugar source, beet has the advantage of being cultivated in new and recently reclaimed lands because it endures water shortage and produces in saline lands; and stays in the field no longer than 6 months before it matures. Meanwhile, sugar cane remains in the field 12 months. As studies have proved, a ton of sugar from beet does not need more than 1,500 cubic meters of water, while a ton of sugar from cane needs 4,600 cubic meters.

Dr Salah Farraj, a Sugar Crops Institute researcher, says that sugar corn is among the sources supplementing sugar cane production. It is also less costly because it does not stay in the field for more than three months, it can be planted in all lands, and it needs only little water and care and no insecticides and fertilizers, as is not the case with sugar cane. Sugar production from corn is more economical than from sugar cane, considering the former's short stay in the field as well as its [low] cost in terms of fertilizers and insecticides. Dr Farraj suggests expansion in the plantation of sugar corn as a crop to supplement sugar cane in the production of molasses and sweeteners (fructose), a sugar substitute in the production of drinks.

12357

CSO: 4504/455

IMPROVEMENTS IN IRRIGATION DISCUSSED

Cairo AL-AHRAM in Arabic 1 Jul 83 p 6

[Article by 'Abd-al-Jawwad 'Ali: "National Plan to Develop Irrigation and Guide Water Use"]

[Text] The government has referred to the People's Assembly the new irrigation and drainage draft law which seeks to make full use of all water resources, regulate them and prevent any abuse of them. The bill provides for the availability of water for the purpose of expansion projects on agricultural lands. This is to be achieved through national plans to develop irrigation, rationalize water use and raise the efficiency of field irrigation.

Articles of the new law prohibit making any drillings in agricultural lands without the permission of the Ministry of Irrigation, in order to safeguard bridges on water canals. Also prohibited without authorization by the concerned director general of irrigation is the cutting of trees planted around public bridges. Landowners are obliged to plant three trees in return for each existing tree allowed to be cut. The purpose is to protect the wood resources and forestation overlooking bridges which contribute to the curbing of water weeds in streams and drainage systems.

The project also prevents conducting private business related to irrigation and drainage on public property, so that the irrigation/drainage network can be protected. Farmers are banned from interfering in industrial works (namely, machinery) related to the two types of field drainage networks, such as inspection chambers, washing pillars and outlets. Interference may take the form of damaging them or occupying them in whole or part, filling them up, or dumping waste in them in a way that would obstruct their use. Digging for underwater wells is not allowed without permission from the Ministry of Irrigation. A permit holder is not allowed to dig wells which violate terms of the permit or exceed the stated levels of water drawing.

The law provides that the person permitted to use water drawn by government pumps for purposes other than agriculture is to pay a fee for drawing such water. The Minister of Irrigation is to issue a ministerial order determining pumping cost rates. The consideration here is that the government provides this service free if the water drawn is used for agricultural purposes. The project bans wasting irrigation water by allowing it to flow into the drainage canals, to uncultivated lands, or to lands that are not designated for irrigation.

The project stipulates more severe punishment in case of violation of its articles--imprisonment and fines ranging from LE 30 to 300 per feddan.

12357

CSO: 4504/455

REPORT ON ALPHA JET PRODUCTION

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Apr 83 pp 66, 67

[Text]

The first Alpha Jet assembled in Egypt has been officially delivered to the Egyptian Air Force on November 4th, 1982, at Helwan, near Cairo. The highest Egyptian authorities attended this ceremony that was held within the A.O.I. (Arab Organization for Industrialization) factory complex. Mr. Hosni Mubarak, President of the Arab Republic of Egypt; Mr. Fouad Mohieddine, Egyptian Prime Minister; Field Marshall Abou Ghazala, Minister of Defence; and General Abdel Hakim Helmi, Chief of Staff of the Egyptian Air Force were present.

The Egyptian Air Force has ordered 45 Alpha Jets, namely 30 aircraft in their training version and 15 aircraft in the NGEA advanced attack version. Four training aircraft have been delivered directly from the Toulouse assembly line and four NGEA aircraft will be delivered from Toulouse between May and September 1983.

The remaining 37 aircraft will be assembled and delivered by the A.O.I. Within the Egyptian Air Force, the training version of the Alpha Jet is planned to replace the Czech Aero L-29 Delfin and the MiG-15, whereas the Alpha Jet NGEA will replace the MiG-17 in the attack squadrons. This leads us to think that although a one-for-one replacement is unlikely the A.O.I. will probably assemble more than the currently ordered 45 units

in the long run. The present assembly rate in Egypt is 1/1.5 aircraft per month.

In addition to the final assembly the Egyptian aerospace industry is now closely associated with the Alpha Jet programme. Several parts of the aircraft are produced by the A.O.I. for the Egyptian aircraft and, at a later stage, will be shipped for use on the European assembly lines. The airframe parts manufactured in Helwan include the trailing edge flaps, the ailerons, the rudder, the fuselage end section and the "cold" engine pipe. The Engine Division of the A.O.I. performs the final assembly of the Larzac 04 engine, as well as the engine testing, and the Electronics Division of the A.O.I. produces some of the components and performs the final assembly of the gun-sight and radio-altimeter.

The technology transfer involved in the Egyptian Alpha Jet programme is a major breakthrough for the Egyptian aerospace industry. November 82 marks the first time a jet aircraft rolls out at the Helwan factory since 1969 when the Egyptian-German HA-300 supersonic fighter programme was cancelled due to Soviet pressure. They were the "allies" of Egypt at that time.

Several teams of Egyptian technicians came to France during 1982 to be trained on the various phases of the Alpha Jet final

assembly and testing. A team of French technicians was also sent to Egypt to assist in the local production of the necessary tooling, and the starting operation of the assembly line.

The first Egyptian Air Force Alpha Jets will be based at Bilbeis, where the Egyptian Air Academy is located, under command of General Ala Rahmey, himself a qualified pilot on the Alpha Jet after a training session at the French Ecole de Chasse (Fighter Pilot School). Eight EAF officers have been qualified as instructor-pilots in France; they will train ten additional instructor-pilots in Bilbeis before starting the regular training session of a first 17 men strong cadet class in the first quarter of 1983. These cadets already have passed elementary training on the Gomurhya single piston engine trainer built by the A.O.I. and will absolve a training programme of 80 hours on the Alpha Jet. This programme is complemented by simulator training. Two Alpha Jet simulators will be delivered in June 1983 by Thomson-CSF.

In the maintenance field, the Egyptian Air Force sent 30 technicians to France last summer. A second batch of 30 technicians just arrived in France but all other maintenance personnel will be trained directly in Egypt.

The A.O.I. programme is an important breakthrough for the Alpha Jet in the Middle East. According to B.C. Vallieres, Chairman of Avions Marcel Dassault-Breguet Aviation, "there is no restriction whatsoever in the technology transfer involved in the Alpha Jet programme. The Alpha Jet will be adopted in the future by other Arab countries and, should these countries express their wish for part of the aircraft production to be performed in Egypt, we shall give full support to the idea." □

REMEDIES FOR JUDICIAL SYSTEM DISCUSSED

Cairo AL-MUSAWWAR in Arabic No 3058, 20 May 83 pp 20-23

[Interview with Dr Mustafa Kirah, President of the Court of Cassation by Mamduh Abu Zayd: "I Am Sounding the Alarm because the Courts Lost Many Competent People"]

[Text] Continuous talk about improving the status of judges hurts their feelings and their sense of dignity. The Court of Cassation must have an opinion on statutes that affect the substance of its operations. Labor cases for which no fees are paid, housing cases and too much legislation are factors that delay settlement of appeals.

This is an important interview with the chief judge of Egypt, the president of the Court of Cassation, the highest judicial authority in the country. The interview deals with many provocative and vital issues. It deals with the reasons why settlements in cases that are appealed are delayed and slowed down; and it deals with the slow wheels of justice. The chief judge is asking that computers be introduced into the courts. He is also asking for the restoration of the Supreme Council of the Judiciary. He finds the law which deals with food supply misdemeanors quite adequate, and he thinks there are provisions in that law that are not being enforced. This interview also deals with other important questions.

[Question] It's been said that a judge is God's shadow on Earth. What in your opinion is proper justice?

[Answer] Adjudication is basically the work of the prophets. God Almighty said, "David, We have made you master in the land. Rule with justice among men..." [Sad: 26]. The messenger of God, may God bless him and grant him salvation, was the first judge in Islam. He personally acted as judge in the disputes that were brought to him [to settle]. Verses in the Holy Koran were revealed to confirm the function of the prophet as judge among people. God Almighty said, "If they come to you, give them your judgment or let them be. If you avoid them they cannot harm you; but if you act as their judge, judge them with fairness" [al-Ma'idah: 42]. When Islam became widespread, the prophet and his successors sent people to rule the Islamic provinces. Part of their function was to act as judges. When 'Umar ibn al-Khattab came to power, he was the one who regulated the courts. The judges he appointed to the Islamic countries operated independently. This put into practice what is now the principle of separating judicial power from

executive power. 'Umar ibn al-Khattab wrote a letter to Musa al-Ash'ari. The most important part of that letter is as follows:

"Adjudication is an inveterate duty that is adhered to and sanctioned by tradition. If you are charged with that duty, you [must] understand that it is of no avail to speak truths that cannot be executed. Make peace between people who come to you, seeking your justice and your court so that no honorable person may wish you injustice and no powerless person may despair of your justice. Remember that he who makes a claim has to prove his claim, and he who denies is doing so under oath. Reconciliation among Muslims is permissible unless that reconciliation permits something that is prohibited or prohibits something that is lawful. Don't let a judgment you made yesterday, which you found to be wrong the following day, keep you from going back to the truth. Truth is proper. It is better to go back to the truth than to persist in what is false. Come to a true understanding of that which stirs in your heart and which is neither in the Holy Book nor in the Tradition. Know about analogues and proverbs and judge cases by analogy."

This letter is regarded as a set of regulations for the administration of justice in Islam because of the principles it includes and the characteristics it calls for in a judge. These characteristics have to do with a judge's understanding, his knowledge and his conduct while he is considering a case.

[Question] Since you, your excellency, are the president of the Court of Cassation, could you tell us how the court got its name?

[Answer] The person who gave the Court of Cassation its name is a towering figure of Egyptian justice. He is 'Abd-al-'Aziz Fahmi Pasha who was the first president of the Court of Cassation when it was established on 2 May 1931. He remained in that position till 5 May 1936. Fahmi Pasha borrowed that name from a verse in the Chapter al-Nahl [the Bee] in the Holy Koran: "Do not be like the woman who unravels to bits the thread which she has firmly spun" [92].

[Question] What is the authority of the Court of Cassation, and why is there only one such court?

[Answer] The Court of Cassation is the highest court. It operates on the foundation of uniform interpretations by the court or the interpretation of rulings according to the law. Because it is the highest court, all lower courts have to abide by its rulings and by the principles it issues. The system of cassation was established to avoid various interpretations of the law by the courts. For example, what would we do if appellate courts were to disagree about a point of law? Before the Court of Cassation was established, the various circuits of appellate courts would get together and settle on a principle. Therefore, it was thought that a Court of Cassation should be established so it would keep an eye on the uniform interpretation of the law and be the highest court [in the country]. If there were numerous courts of cassation, we would have the same problem and that would lead to a multiplicity of opinions. The uniformity of the law or the uniformity of legal opinions realizes some kind of justice among individuals. With uniform interpretations the law is not applied to one individual in one manner and to another in a different manner. This means that justice in the eyes of the law requires the uniform application of the law.

Settlement of Appeals Will Continue To Be Subject to Delay Unless...

[Question] When a civil suit is appealed, a court date is set no earlier than 5 years from the date the judgment that is being appealed was handed down. The same applies to labor suits, divorce suits and commercial suits.

When a criminal case is appealed, a court date is also set no earlier than 3 years down the road. What are the reasons for that, and what is the remedy for this situation?

[Answer] This is basically due to the fact that many appeals are filed with the Court of Cassation. Thousands of appeals have been filed, and the Court of Cassation has almost the same number of cases as the Court of Appeals. The reasons for this problem may be summarized as follows:

First, labor cases now make up a large portion of those lawsuits that are appealed. This is because no fees are paid for labor cases; they are free. It is inconceivable that appealing a case in the Court of Cassation would be free of charge. It is this that has overburdened the court with cases that are not likely to be won. If workers have the right to file their lawsuits free of charge in the courts of first instance and in appellate courts, these cases must not be free in the Court of Cassation.

Second, rental property cases are among the factors contributing to an increase in the number of cases that are being appealed. We now have three circuits considering rental property cases. These three circuits have a large docket for every court session. As you know, and as I say, litigants in housing cases are the most vitriolic and the most hostile of all litigants; the process of evicting a tenant from an apartment is very serious business.

Third, many laws are enacted as a result of changes in our economic climate which is now marked by the brisk circulation of currency and the movement of capital. This creates a large number of lawsuits.

Fourth, there is the matter of the limit. I think that in view of the decline in the value of currency, a judge's limit must be raised. This means that the limit in a court of first instance is to be increased so as to reduce the number of cases that are filed with the Court of Appeals. The limit for appellate courts is to be increased also. This is based on the fact that the law now regards a judgment rendered by a court of first instance to be primary in all lawsuits where value [of what is being contested] does not exceed 500 pounds and final if the value does not exceed 50 pounds. The proposal requires that the limit for lower courts and for the courts of first instance be raised so that their judgments in cases that are worth 200 pounds and 1,000 pounds, [respectively], be final. It is also inconceivable that the bond which is paid to ensure the earnestness of an appeal be 25 pounds: the same amount that was set by the Court of Cassation when it was established in 1932. I suggest that that bond be raised to 100 pounds.

Fifth, one of the most significant obstacles [to the prompt settlement of cases] is legislation that was issued recently to append the file of a case to the papers filed with the Court of Cassation. This often causes a delay in settlement

because it takes a file several years to get to the Court of Cassation from the Court of Appeals. Thus if the matter depends on the need to append the file, there will be no judgment unless the court asks for the file. By the way I would like to say that the Court of Cassation must be asked what it thinks of all changes that are made in legislation affecting adjudication procedures in the Court of Cassation. These changes must be presented to the Court of Cassation and to the General Assembly so both bodies can say what they think of the changes.

Let me repeat: if we do not do something to remedy the foregoing five points, we will continue to have a problem with settling lawsuits that are appealed. This problem will not be remedied by increasing the number of judges since the change will not be continuous because what is required is the stabilization of court circuits.

I am saying that a judge must be limited to one or two cases. There may be one case that is found to tax a circuit, and there are many cases in which disputes are trying and may have no precedents [in case law]. This is particularly the case with recent legislation. The fear of making mistakes makes a chief judge apprehensive.

[Question] As I understand it, all courts have to adhere to the principles that are set by the Court of Cassation. How can the courts do this in view of the picture you, your excellency have painted of the courts? Moreover, the application of those principles can only be achieved after many years elapse during which the courts would continue issuing erroneous judgments. What would be a more effective remedy?

[Answer] The effective remedy requires the presence of computers so that the most recent principles [of law] can be conveyed to the courts when they are issued. [Those principles can be seen on] cathode ray tubes [CRT's] in the judges' offices after those principles that are issued by the Court of Cassation are stored in the computer's memory. Thus the information would become available to all the courts everywhere in the republic, and the principles would become universally widespread. Those principles will not become universally widespread and knowledge of the principles behind the judgments made by the Court of Cassation will not become available unless a computer is set up. We have been persistently asking for this computer. I am hoping that we will have a computer one of these days because the whole world is using computers and because everyone is waiting for those principles: attorneys, district attorneys, judges and colleges of law, not only in Egypt but throughout the Arab world.

The process of printing court decisions is a time consuming process--that is, if we have the funds to pay printing costs. We are always indebted to the government printing press, and this forces us to stop printing for long periods of time.

It doesn't make sense for the judicial system to continue suffering from old methods. There are no modern capabilities. What matters is that the day has to come when we will execute this, but [I fear] this will be after costs double.

[Question] Why does the Court of Cassation have chief counsel.

[Answer] A chief counsel for the Court of Cassation plays a key role. He deals with

the arguments of the opposing parties in a lawsuit. He disputes the statements made by the party that filed the appeal and the statements made by the party against whom the appeal was being made. The prosecutor discusses the reasons for the appeal and the response made by the respondent. In doing so the prosecutor serves the Court of Cassation by setting forth the different points of view and expressing his opinion of them freely. The prosecutor is not restricted by the opinion of any of the litigants. Naturally, this makes the task of the Court of Cassation easier because it sets forth to the court all the ingredients that are relevant to making a judgment, even though the Court of Cassation is not bound by the point of view of its chief counsel.

We Are Sounding the Alarm!

[Question] What are the concerns of the highest judicial authority in Egypt as far as judges in Egypt are concerned?

[Answer] There are, of course, several problems that I and others like me, who are interested in the stability of the courts, have talked about many times and repeatedly so that total justice can be realized. Among these problems there are two main ones about which I am sounding the alarm. These problems are threatening the system of justice. I am warning against [the tendency to] view a judge as an ordinary civil servant. No matter what is being said about remedies to improve the social status of judges, all such remedies fall short of guarding against competent judges leaving the court system. People with a great deal of experience --10 of the best judges in the Court of Cassation--have recently resigned. This is extremely alarming because a competent judge combines expertise, experience and knowledge, and that adds up to a national resource. We have wasted enough of such national resources that are difficult to replace because new people do not have that experience. All this talk about improving social conditions for judges hurts their feelings and their dignity. I recall that [one day] 'Abd-al-'Aziz Fahmi Pasha read in the morning newspapers while on his way to the Court of Cassation that a member of parliament had asked a question about the salary of the president of the Court of Cassation. Fahmi Pasha gave his chauffeur orders to drive to 'Abdin Palace where he met with the king and informed him that he would resign because the salary of the president of the Court of Cassation was the subject of a discussion in the Council of Representatives. 'Abd-al-'Aziz Fahmi Pasha then returned to court; he put that incident on record in the minutes of the session; and he left the court and went to the ministry where he submitted his resignation.

The second matter that I am concerned about is the new generation which will replace this one. No two people will disagree about the fact that the standard of education in universities today is not like that of the past. Today's standards have declined sharply. I am therefore saying that in order for this generation of jurists to be competent in their field when they begin their careers, colleges of law must change the courses of study. After graduation, the training method that is being followed now for district attorneys or for assistant prosecutors must be intensified and expanded to include all judges who go through a period of transition from the prosecutor's office to the bench.

Yes, the Wheels of Justice Are Slow, but There Are Guarantees

[Question] To litigants, going to court is still quite an ordeal. What does your excellency think about that?

[Answer] I can say with a clear conscience that from a legal standpoint the measures of litigation are sound. It is known that the purpose of these measures is to furnish guarantees for litigants. These measures are derived from the most recent legislation, and they provide guarantees of due notice and due process. These measures also require judges to provide reasons for the judgments [they make] since justice is based on fulfilling guarantees.

The fault here lies in the fact that these measures are misused in the sense that litigants manipulate them to serve their own interests. It is their inherent right to do so, but this does, of course, take time. If we were to add to that [the task of] writing down the legal reasons for a judgment--a measure that is essential to ensure that justice is achieved--and the fact that before doing that a judge has to hear the arguments of the litigants' attorneys and then study the case before writing the reasons for the judgment, [we will then realize] that all this causes delays in the settlement of cases. We can dispose of all these lawsuits that are piled up in the courts if we do away with the [requirement] that the reasons for a judgment be written down. But that would mean that that guarantee would be dropped. [This is not what I am saying], however; what I am saying is this: in some lawsuits this statement can be shortened somewhat.

The human effort a judge makes falls short of making him able to keep up with and confront this tremendous amount of lawsuits that grows continuously as a result of the increase in the number of cases that are appealed and as a result of a legislative policy that is updated occasionally. This is because [new] laws generate lawsuits. One of the most significant obstacles also is the matter of serving notice which is fundamental because litigants have to know about a lawsuit. It is too often that a court summons is not served or is served and goes unanswered. These are obstacles in application. I am saying that any attempt to reduce such obstacles will be done at the expense of justice. It is true that the wheels of justice are slow, but the guarantees that are in the system of justice are fundamental, and we cannot reduce those guarantees.

There is also no doubt that the social and economic climate which manifests itself in the brisk circulation of money has led of necessity to disputes and, consequently, to numerous lawsuits. Evidence of that fact lies in the number of lawsuits and appeals filed with the Court of Cassation since 1933. The number of those cases indicates that appeals have been increasing steadily since that date, except in 1960 when there was a drop in the number of lawsuits that were filed. However, that number began rising again. There are also lawsuits related to labor. Then there are problems of ambiguity in the application of criminal law which are due to successive laws. All this merely adds new burdens on the courts. Unfortunately, we cannot cope with this large amount of lawsuits by increasing the number of judges because it is no easy matter to have competent judges. Thus the lawsuits that judges have to look into now present a burden that is beyond the endurance of humans.

It Is Not Reasonable To Set a Fine without a Court Ruling

[Question] In view of this huge burden aren't there kinds of lawsuits that can be turned over to other authorities?

[Answer] I believe from all my years of work in the courts that litigants have confidence only in the ordinary courts. I am not an advocate of divesting the

courts of their authorities, but I would resort to other methods to reduce the burden that exists on the courts. I would resort to reconciliation. This means there are lawsuits where the only sentence that can be handed down is a fine. Before a person who has been charged with payment of a fine is taken to court, he is to be given the option of settling his case by paying a sum of money. If he pays, the case is closed; if not, he is taken to court. By the way, what is happening with traffic fines is absurd. According to what I heard, some citizens are taken by surprise when they go to renew their drivers' licenses and they discover that they are being asked to pay large sums of money. Those citizens have a right to be heard and to speak in their own defense. Despite the burden that judges have to carry, we must have emergency courts where such violations would be presented and where such violators would be summoned to appear. This means that in order for a citizen to pay a fine, payment of that fine has to be decreed by the court. The fact that such reconciliations and settlements are to be followed in some lawsuits will confirm the idea of punishment without generating feelings of apprehension and fear which are associated with going to court. This will also reduce somewhat the burden on tired judges, but it will not increase the burdens on the state. I would like to say here that many misdemeanor laws must be amended, making the penalty [for violations] a fine only and not imprisonment or a fine. This means that imprisonment would be ruled out for such offenses and a fine would be retained--and may even be increased--as penalty for such offenses.

Let me say once again that just because judges are overloaded with cases, that does not mean that their cases are to be turned over to other authorities.

Restoration of the Supreme Council Is Essential

[Question] If we were to set aside judges and litigants, what would be those matters that are troubling and distracting to the chief judge?

[Answer] The restoration of the Supreme Council of the Judiciary. I still think, as I did before and as I declared previously, that the Supreme Council of the Judiciary must be restored with its old makeup. It is to be headed by the president of the Court of Cassation, and it is to be made up of judges who serve as members. I am still affirming that this request is a fundamental one for judges who will not stop asking for it. It is my opinion that compliance with that request will hurt no one. If the judges request the restoration of the Supreme Council of the Judiciary, their request should be granted. In other words, this is an internal matter that concerns judges. Fulfillment of that wish is a fundamental matter for judges because the motive for restoring the council is psychological. The Supreme Council of the Judiciary would give judges a sense of their own independence and make them feel that they are not subject to any authority.

I am saying--and these are mere words--that the minister of justice is a jurist. We are not challenging here the conduct of any minister, but this is a psychological matter within the courts. It came as a reaction to the dissolution of the old council of the judiciary after the Supreme Council for Judicial Authorities was established.

When al-Wafd government established the Supreme Council of the Judiciary, it was considered something of an innovation in providing for the independence of the courts. To ensure that independence, [provisions for] the makeup of the council

in the Court Independence Act, the Court Regulation Act and the Judicial Authority Act varied. The makeup of the council is different in these acts, but it revolves around the same idea: court matters come under the jurisdiction of the Supreme Council of the Judiciary whose chief would be the president of the Court of Cassation regardless of his identity. This has nothing to do with me being the president of the Court of Cassation because my term expires at the end of this year. This is a matter of principle. Let me say again that jurists will not stop asking for the restoration of their council. In my opinion this should not provoke the anger of anyone. Quite the contrary, I believe that the fulfillment of that request would give the impression that the government has complied with a feeling that judges have had [for some time]. In doing so, the government would be restoring their self-esteem, [which was lost] after their council was abolished. When that happened, judges felt they had lost their independence. Let me add that any explanation in any other terms for the restoration of the Supreme Council of the Judiciary has no place. I believe that compliance with that request will constitute a good move and will achieve a great deal.

The Ethics Court and the Uniform Administration of the Law

[Question] Much has been said about the Ethics Court and the socialist prosecutor. What does your excellency think of the outcome of the Ethics Court?

[Answer] My personal opinion is that there is absolutely no need for the Ethics Court. We have too many judicial authorities in our system of jurisprudence. It has always been a feature of sound judicial systems to go back to the authorities of the ordinary courts and to confirm those authorities. We definitely do not want numerous authorities [administering the law]. I believe, regardless of any considerations, that the experience of the Ethics Court must ultimately lead back to the ordinary courts. That would be the normal course under the principle of the uniform administration of the law. This means that all courts of all classes would be subject to one higher court, the Court of Cassation, and all courts would be subject to one kind of supervision. In other words, this means that there would be some kind of consistency. But the existence of courts that would not come under the supervision of the Court of Cassation or that would not adhere to the uniform administration of the law would violate that [principle of] uniformity.

Vigorous Restraints Must Be Applied against High Prices

[Question] What does the chief judge of Egypt, who wrote a book about crimes associated with the food supply, think about the sharp rise in prices?

[Answer] My personal opinion--and this is an old opinion from a personal, scientific and legislative standpoint--is that these alarming high prices can only be attributable to the greed and exploitation practiced by a group of merchants. These high prices are sapping the efforts of citizens. It doesn't make sense for the price of 1 kilogram of meat to be 6 pounds! This is unacceptable under any circumstances. The state has to impose severe punishments for this, and that would protect citizens, particularly if that question were to be asked: what is preferable, the interests of citizens or the greed of merchants?

The fact that merchants do not adhere to fixed prices is basically due to the fact that they know that there are citizens who will buy what they have to sell

at any price. Thus those buyers are accessories to such crimes which cannot occur without an agreement between buyer and seller. There is a law that penalizes such buyers. Legislators, however, looking out for the interests of buyers and assessing the public interest, considered such buyers the perpetrators of a separate crime and reduced the penalty for them depending on whether they made the improper purchase for commercial purposes or for personal consumption. In the latter case buyers may not be penalized for violating the law if they notify the competent authorities or if they admit to their offenses.

[Question] What we think is that the law which regulates crimes that pertain to the food supply is an inadequate deterrent for such merchants who exploit consumers. What does your excellency think of such a view?

[Answer] I can say that the law is quite adequate. However, there are provisions in the law that are not being enforced. The law tended to be strict with those who sell goods at a price higher than the fixed price, making the penalty of a prison sentence and a fine mandatory. However, the law was amended last year, and the punishment now is either imprisonment or a fine. It is my opinion that a penalty of imprisonment and a fine be mandatory.

[Question] Sir, you said that the penalty imposed by the state has to be severe. If the laws are adequate, how can it do that?

[Answer] With vigorous restraints. However, before I define for you the forms of such restraints, let me give you examples of the same subject from history. Let me tell you how restraints were used to remedy similar situations. Al-Athar relates in his book, " 'Aja'ib al-Aathar" [Uncommon Facts of Antiquity], that during the age of the Mamelukes overseers would arrest any merchant who would close his store or who would sell an article at a price higher than the fixed price. Overseers would make an example of such merchants: they would drag them [through the streets] with their heads uncovered and their hands tied and they would beat them up, crucify them in the streets and pierce their noses. Merchants whose prices were excessive were left hanging in the streets.

Let us go back to the business of how the state is to penalize merchants who exploit others by using severe restraints. Let me say that the state is to begin first with the continuous apprehension [of offenders], especially in blatant cases. Administrative penalties as well as criminal penalties must be stiffened. This includes closing down the shops where violations are committed for a long period of time. In some western countries shops that violate supply laws are shut down for 2 years. One of the penalties must also be an injunction prohibiting violators from engaging in trade. This injunction would be issued by an administrative authority and may be permanent or temporary. [Accordingly], a merchant would be restrained from becoming engaged in trade in any way. [Obviously] the state can adopt restraints similar to the examples I mentioned to stem this alarming tide of high prices even though we are certain that when such severe restraints are applied to merchants, some goods will disappear from the market. To counter this situation the state will have to flood the markets with those goods that would have been hidden so as to circumvent such obvious schemes.

We must be firm in penalizing those who take advantage of others. Do you know that in France, in 1947, after the war a law was enacted calling for the execution of anyone who slaughtered a cow that was pregnant? This is what firmness is all about.

[Question] Our discussion of such offensive exploitation leads us into a discussion of growing fortunes. I know that since 1969 the Department of Illegal Gain has turned over 604 cases to the courts. In the majority of those cases, if not in all of them, the defendants were acquitted. Doesn't this give us the impression that citizens are obligated to fill out papers that pile up one year after the other with declarations of financial obligations and reports on wealth that are of no use?

[Answer] Filling out documents has now become a basic process of our lives: declarations of financial obligations, reports on wealth and income tax returns and so on. I do not consider any of this useless; it is a kind of control and follow-up. If we were to abolish such methods, what methods would we use, particularly when the controls we have are weak? The state uses these reports to keep tabs on individuals. Therefore, anyone who declines to provide these data or anyone who falsifies the data is taken to court. The weakness here lies in the fact that most of the cases that are apprehended are those that have to do with civil servants, who are obligated to file these reports. However, primary attention must be paid to individuals in the private sector. This means that the rule of illegal gain must be expanded to include that segment of the private sector despite the fact that people in that segment of the private sector submit reports on their wealth. This is imperative particularly in the wake of the open-door policy because it is certain that all the fortunes have been turned to the private sector where most of the exploitation takes place.

Also the matter of filing a report on one's gains every 5 years must be reconsidered because 5 years is a long period of time, particularly since fortunes are being doubled not every year, but rather every month in an extraordinary manner. People must file reports every year and not every 5 years. These fortunes that are doubled must be monitored continuously either by means of monitoring agencies or by having individuals file reports. This is more essential when we take into account the weakness and inadequacy of controls.

The other matter that I think is necessary is that of expanding the rule in principle so as to make it apply to the provinces and not only to Cairo. Most definitely if the agencies monitoring illegal gain are decentralized, their achievements will be improved and they will yield more positive results. We must expand those agencies in all the regions so they would cover the entire republic.

Now we come to the point you raised about those cases that were turned over to the courts by the Department of Illegal Gain. [You said] that the defendants in those cases were acquitted. As a matter of principle in the judicial system, evidence must be presented and proven to support a case that is being made. It is quite probable that the evidence in those cases was not available, and this takes us back to the fact that [both] the investigating agency and the oversight agency must have strong resources so as to provide incontrovertible evidence. If the evidence is not proven, that means there was a loophole in the evidence, and this leads me to say that the fact that a large percentage of the defendants in those cases was acquitted does not cast doubts on that system. It rather calls for a remedy for those agencies that do the investigating and the probing so that they would have the resources for getting the evidence [they need].

[Question] How is that?

[Answer] [Each one of] these agencies with its strong resources is to be controlled by its chief and its members because there may be some difficulty in turning to other agencies, or some agencies may be embarrassed about some matter. Thus, there must be an agency like the one we thought about. I mean the idea of a judicial police force because such a force will play the role of monitoring, following up and executing sentences. Accordingly, the idea of a judicial police would be used as a model for organizing an agency that would be subordinate to the Department of Illegal Gain. That agency would be strong, select and supported by select groups of employees who would be trained under the supervision of the court system. The measures of that agency would adhere to the law because the sovereignty of law lies in the fact that people's rights are to be safeguarded regardless of the charges that are leveled against them.

[Question] Do we take what your excellency said to mean that there are many cases which the Department of Illegal Gain has not been able to pursue?

[Answer] It is my opinion that the Illegal Gain Act in its present form must go after those transactions that were completed during the past 10 years in the Real Estate Records Office or elsewhere. People who were engaged in such transactions must be asked how they obtained their wealth. They must be asked whether or not they paid their taxes for those recorded property sales.

I believe that since 1975, after the open-door policy [was instituted] and till now, a new class of people has been emerging in Egyptian society. The fortunes of this class of people grew; these people now talk about their thousands and millions by using curious terms such as rabbits and elephants. The source of these people's fortunes must be verified. I am not saying outright that these fortunes are illegitimate; nor am I raising doubts about their legitimacy.

This unexpected growth in wealth, which has been associated with the economic open-door policy since 1975--and this is not intended to discredit the economic open-door policy, which is definitely a sound policy--[is due to the fact that] some people abused and misapplied that policy and used it to their own advantage. All this must be reconsidered so that the legitimacy of these fortunes may be determined. The Real Estate Records Office has a record of all the transactions that were completed in the past 10 years.

I recall that the late president Anwar al-Sadat spoke to us once about a butcher who owned a high-rise building worth 1 million pounds. Was this butcher asked about the source of that fortune? Did he pay to society the tax that was due on that fortune which he had accumulated?

He Who Cheats and Steals Achieves Wealth

This huge discrepancy in incomes, particularly when those incomes are illegitimate, have created major discrepancies between the classes, and this has set back the intellectual class which can no longer enjoy a life of stability. It is inconceivable that [the value of] intellectual effort would deteriorate to that extent in any country. But it is this that has caused young people to lose faith in the future. Young people have little hope [now] because people thrive on the existence of principles, and young people cannot find in front of them people who have principles they can adapt to their own lives. They find that it is only

speculators, middlemen and people who cheat who are able to accumulate fortunes and gain preeminence. Young people find that it is the intellectual classes who are now at the bottom [of the socio-economic system]. This is a serious flaw [in our system], particularly since people [tend to] imitate each other and everybody is asking for wealth that can be gained in the easiest way.

I Felt Compelled To Bring up the Law in Defense of Palestinian issue

[Question] I know that you have an interest in writing about the Palestinian issue. How did you begin?

[Answer] My interest in writing about the Palestinian issue
Supreme Court in Israel issued a judgment stopping all construction operations in the Elon More settlement. The Israeli government had confiscated the land owned by Arab citizens who appealed to the Supreme Court the decision to let the Gush Emunim establish an Israeli settlement. The court rejected the argument made by the Israeli government that the settlement was essential to the security of Israel.

It was my duty as a jurist to point out what the law says and not to let that judgment go by without commenting on it. This is because such a judgment is like a sign affirming the right of Arab citizens to request on the basis of that judgment the removal of settlements that were established after 1967. In my comment I also explained that that judgment raised another highly significant subject whose importance was not less than that of removing the settlements in the occupied land. This subject is the right of Arabs who were evicted from their homes and whose land and property were confiscated after the establishment of Israel to claim damages for the land that was seized from them and to ask for the restoration of their rights.

[Question] Although the Supreme Court in Israel did issue a decision which Arab citizens use as the basis for the petitions they file for the restoration of their usurped rights in the land, that same court did turn down a petition that was filed by Fahd al-Qawasimah, the mayor of Hebron, and some Arab citizens. Mr al-Qawasimah and [some of his countrymen] had filed a petition to stop construction of a settlement in the suburb of Kiryat Arba' on the outskirts of the city of Hebron. Did your excellency comment on that ruling?

[Answer] Of course I commented on that ruling which was based on the spurious nature of Israel's government. In its attempt to legitimize its conduct, the government of Israel used the legal argument that that land was owned by the state and that therefore Jews had the right to settle on it. In my comment I refuted the argument of the Israeli government, declaring that the legal description of Arab land is that it is land that is under occupation and therefore being administered. Occupation is by nature temporary. According to the provisions of Articles 32, 33 and 68 of the Fourth Geneva Convention of 1949, occupation authorities may not engage in sovereign practices on occupied lands. The only thing they may do is establish a military administration and a temporary authority to carry out those measures that are necessary. Thus, the Israeli government may not take measures leading to the acquisition of rights to that land.

In my comment on the court's rulings I called attention to the peculiar legislation that was enacted by Israel. The purpose of that legislation was to seize

land belonging to Arabs illegitimately under [the pretext of] several laws. Among these laws, for example, was the Absentee Property Act of March 1950 which provides that land abandoned by Palestinians who had left the country after the 1948 war may be seized by the government.

Regarding the banishment of Arab leaders on the West Bank I indicated that that action was illegal. This is because the banishment decree violates Article 49 of the Geneva Convention which prohibited the banishment of persons from an occupied region to a region in the occupying country or to a region in any other country. I responded to Israel's attempt to base its judgments on the restrictions mentioned in Article 49 under the pretext of preserving public order. The court in Israel had adopted [that argument] in more than one case of expulsion. My response was that the 1979 UN report on human rights in occupied Arab lands was conclusive in stating that the purpose of the Fourth Geneva Convention was to protect civilians and that Israel's measures constituted a violation of the provisions of international law. [I said that] the restrictions mentioned in the article may not be used to justify the cases of expulsion.

[Question] Do your independent efforts to write about the question of Palestine or about other political questions mean that a judge has the right to become involved in politics?

[Answer] The fact that some jurists write about international political matters or about social or economic issues in their country or abroad does not mean that they are involved in partisan politics, which was what was intended by the prohibition [against the involvement of judges in politics]. Judges are prohibited from expressing opinions and political tendencies indicating a bias for a party or an organization. Judges are also enjoined against becoming actively engaged in politics in a manner that would make their opinions stand out in partisan disputes. Judges must stay away from partisan disputes so they can be above all suspicion and so that all individuals may have confidence in them. This means that judges may not run for office in elections under a certain party banner. We in Egypt are not the only ones who have this restriction. Accordingly, a person who has been active in a party may not be appointed judge because such persons cannot be free of biases.

[Question] Our last question takes us back to Egyptian laws. Hasn't the time come for us to sift through Egyptian laws and eliminate those ancient, worn-out laws that are still part of our code of law?

[Answer] This is in fact a problem that is causing us considerable concern. Our laws need to be revised and looked into carefully. This is an extremely complex process: the process of compiling all the laws and sorting them out as much as that is possible. This has to be done, and it is a matter of concern to us.

A Brief Profile of Dr Mustafa Kirah

--He earned a doctorate degree in 1962 with highest honors. The subject of [his dissertation] was "The Theory of Material Aggression in Administrative Law." It was based on a treatment of the problem of management's illegitimate conduct which affects private ownership and public liberties.

--He wrote four legal books: "Currency Crimes" in 1960; "The Code of Procedures in Libya" in 1970; "Food Supply Crimes" in 1983; and the "Theory of Material Aggression in Administrative Law."

--He worked in the University of Libya in Benghazi from 1964 to 1970. He returned to Egypt after that as judge in the Court of Appeals. Then he moved to the Court of Cassation until 1970 [sic]. He then went to Saudi Arabia where he stayed for 2 years at the Institute for Public Management teaching the code of procedures. Then he came back to Egypt as judge in the Court of Cassation; he served as vice president of the Court of Cassation and then as its president.

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CSO: 4504/468

CONFERENCE EXAMINES SUDAN'S ECONOMIC FAILINGS

London AL-DUSTUR in Arabic No 287, 23 May 83 pp 37-39

[Article: "Can the 'Club of Paris' Reform What the Experience of 14 Years Has Corrupted?"]

[Text] Last year, a conference of prominent political, executive and legislative persons in the government of the Sudan was held in order to come up with ways of lessening the severity of the economic crisis. In view of the conference's inability to define the economic crisis's causes and the weak spots that have led to economic dissolution, and in view as well of the need for expanded participation in the process of finding solutions to the problem which depend on the points of view of Sudanese specialists who have knowledge of the economic situation and the dimensions of the crisis, the president of the republic issued decision No 199, which calls for the creation of a "committee" with the task of preparing for an economic conference. The conference will have two essential goals. The first will be to develop a clear picture of the economic situation in its entirety, with the purpose of determining the urgent requirements, which amount to a warning of a great danger not dealt with by the 'ways' adopted by the first conference. In addition, the conference will try to defuse the economic crisis and make it seem that it is drawing to a close, while the situation is improving. On another level, it will make a prior disavowal of responsibility for the previous financial policies that have caused this result.

As for the committee's second goal, it has to do with the agencies that make loans to the government of the Sudan (the Club of Paris.) It will present the problem to the club as the specialists see it, with the goal of bringing about a re-examination of the Sudan's debts and its repayment schedule, while simultaneously acquiring new loans with which to patch up the collapsing sectors. The committee's justification will be that this is the only way for the creditor countries to get back their money and save the Sudan from the consequences of leaving its government to face alone the danger of the crisis and the associated possible changes that would neither be in the interest of the creditor countries nor serve their political orientation. On this basis then, the "First National Economic Conference" was held. It took two directions in its discussions:

a local one, which diagnoses the problem according to a national point of view, and a second direction, which took account of capitalist investment and was subordinate to foreign interests.

Despite the identification of the crisis to a national point of view, its true and complete nature has not been understood, the reason being that important aspects of the crisis which must be considered for it to be solved have been ignored. The most important aspects are: cutting the ties to capitalist development, liquidating the centers of foreign capitalist influence, making the public sector the basic engine of the national economy, and reforming the political situation from the bottom up, so as to allow the achievement of a national program that will meet the needs of the phase the Sudan is now passing through. However, the conference's discussions did emphasize many aspects of the severity of the crisis, as well as the ability of these aspects to dominate the economy in its entirety. The role of the public sector and all its areas has shrunk, as the public sector has come to serve the private sector. The public sector has lost its control over economic activity. Therefore, it no longer has a surplus which can be used to support it. What surplus it does have goes into unproductive areas.

In addition, the conference dealt in its discussions with a number of subjects in the context of its treatment of the crisis: "Trade, financial and economic policies, investment policies and the performance of the productive sector, basic infrastructure, and economic integration between Egypt and the Sudan." The conference produced conclusions and suggestions which merely scratch the surface of the historic dilemma in which the economy finds itself. In what follows, we present some of the conclusions and suggestions of the First National Economic Conference, which indicate the correctness of the many analyses being offered by the nationalist and pan-Arab forces with regard to the course of the economic situation in the Sudan, in addition to economic and social development. This is especially important, since the conference was held in response to a decree by the president of the republic, was chaired by the minister of finance and the national economy, and was attended by both Arab and foreign representatives, in addition to its most important element, Sudanese economic experts.

1 - Economic and Financial Policies

In this regard, the conference concluded that the basic features of the economy's imbalance boiled down to the presence of two gaps. The first is domestic and results from the increase in the magnitude of public sector spending, which occurred to such a degree that public sector spending exceeded resources. The second gap is foreign, and consists of the growing deficit in the balance of trade and the deterioration of the balance of payments.

The cause of these two gaps is borrowing from abroad--from agencies which have no connection with institutions that do development financing--for short maturities at high interest rates. Things have become more complex because many of the projects which absorbed these loans were not export oriented. Some were late in beginning production, while the rebuilding of extant productive projects was neglected. All this led to a deterioration in productivity and a low level of export earnings.

This led to a widening of the foreign and domestic resources gap. It was difficult in the extreme to obtain new foreign resources, and the Sudan could not keep up with its debt payments. This led its debt to accumulate. Moreover, the absence of real domestic resources led to an increase of dependence on the banking system, and all these problems led to the focusing of the efforts of the financial and economic administration on putting the financing together for meeting the daily requirements for basic commodities.

The conference came up with several directives for treating commercial and financial policy:

- Lowering public sector spending, in order to remove dependence on borrowing from the banking system, in addition to limiting development efforts in the next few years to rebuilding, improving and operating extant projects, such as the railroad, the al-Jazirah project, the sugar refineries and the power plants;

- Looking into how to create additional local resources by means of increasing taxes, fighting tax evasion, and improving tax collection;

- Taking sufficient steps to increase the production of export goods, with the goal of increasing foreign resources, in addition to working to import essential goods needed for consumption and production purposes, while lowering the total amount of imports as much as might be possible;

- Having the conference's wariness of reforming the exchange rate for the Sudanese pound vis-a-vis the dollar;

- Following a credit policy which would be consistent with the requirements of economic growth and financial balance, while guiding the use of that credit and limiting it to short-term operations;

- Reviewing the Bank of the Sudan law, with the goal of reinforcing its independence and granting it all the authority it would need to keep an effective watch over both foreign and local commercial banks, in addition to reviewing the articles concerned with borrowing by the government and the public sector institutions from the Bank, so that such practices will be consistent with financial balance and the treatment of the current economic situation;

- Improving the direction of the nationalized commercial banks so as to let them compete with the other banks, especially the foreign ones;

-Reviewing the tax brackets and percentages so as to create incentives for people to work, as well as reviewing the current policies and laws which aim at increasing the flow of remittances from those working abroad, with the goal of producing more stable, realistic and attractive policies.

2 - Commercial Policies

The conference noted that in recent years commercial policy had been exposed to many changes which had affected commercial performance in general and created an imbalance in the flow of domestic trade, as well as in distribution and exports. It is the opinion of the conference that a trade policy must be maintained which deals with the problems and basic requirements in the short and medium term. That is, a stable and clear commercial policy must be drawn up.

In this regard, the conference advised adherence to the principle of free trade, along with utilization of trade agreements with brother nations, friendly nations, and the nations of the Third World, in addition to slanting importing, especially in the area of strategic goods, to the countries and groups that offer the best trade terms. The conference laid down several directives in the area of importing and ex-orting, as well as domestic trade.

3 - The Area of Production

Those attending the conference agreed unanimously that the production sector, with its agricultural and industrial branches, in the focus of economic activity in the Sudan. It is this sector which is influenced more than all the others by deteriorating economic circumstances and conditions, and this fact is reflected in the low level of productivity, despite the fact that the other sectors used to depend on the surplus produced by this one.

The conference did not accept the argument which said that output and productivity in this sector were the reason for the deterioration of the economic situation. Rather, it said that the opposite had occurred: incorrect policies and priorities had caused the production sector to be deprived of its essential needs.

The conference indicated that self-sufficiency in primary goods had not been realized, as called for in the 5-year plan. Moreover, the information and statistics presented to the conference indicate that the share of the agricultural and industrial sectors in economic activity fell, while that of the service sectors increased.

The conference defined the problems of the productive sector in general, and we present some of them here:

Weakness in and absence of comprehensive and sectorial economic planning, as well as the weakness of the planning agencies and cadres and the absence of unity of purpose in the state's agencies and in the cooperative leadership bodies;

The weakness of basic infrastructure, including energy;

Problems in financing capitalist investments, as well as operational finance problems in agriculture and industry; moreover, most of agriculture's economic surplus goes to finance unproductive activities and projects;

Bad allocation of resources, especially financial resources, among the priorities of the production and service sectors;

The primacy of political and personal motivations and of negligence in choosing leaders and higher administrative cadres, with the result that the capable are driven away or emigrate, while numerous administrative, financial and economic problems arise;

Lack of clear vision in determining commitment to production goals, as well as in analyzing them and translating them into projects, programs, targets and priorities;

Incompetence in programming development and production projects, as well as in evaluation and execution, leading to the delaying of revenues and the increasing of costs in many projects;

Excessive centralization and poor exploitation of factory and project administration. The interests of factions which are not interested in increasing production, but rather in ruining it often predominate.

The Problems of the Agricultural Sector and the Causes of its Deterioration

The conference discussed the deterioration of agriculture and determined that the factors which are hindering agriculture have many causes:

- Despite the plans, programs, and development projects which have been worked out during the last 20 years for this sector, the projects have not been able to find basic solutions to the fundamental flaws in the structure of the Sudanese agricultural economy. Moreover, planning in the sector has not harmonized the sector's subsectors, which are: irrigation-fed agriculture; mechanized, rain-fed agriculture; traditional agriculture; and animal husbandry.

- Among the most important effects of the failure in planning and programming is the fact that the agricultural sector is still characterized by low land and labor productivity.

- Among the most important flaws in the agricultural sector is the focusing of major investments in the Nile basin and in irrigation-fed agriculture, so that the required, desired balance in provincial development has not been achieved, especially in the provinces that enjoy human and natural resources capable of contributing to output, and at lower costs.

- Among the most important effects of the imbalance in agricultural investment and development is the chronic neglect of the traditional agricultural sector, despite the fact that it still contributes to the national product, the provision of food, and the country's exports.
- The distortions in the sector have increased during the last 10 years, with agricultural investment being focused on horizontal expansion projects (the new projects,) and without any balance between these projects and capital expansion, that is, without any increase in the productivity of the extant projects. In addition, the basic requirements of production and renewal in these projects were neglected.
- Productivity did not decline in the irrigation-fed agricultural sector merely because of the scarcity of the means and requirements of production. Rather, a dangerous deterioration occurred in the basic infrastructure of these projects, such as canals, machinery, means of transportation, water pumps, etc.
- Neglect has also been the fate of issues related to animal production, as well as the ways of furthering and developing it in the context of the traditional sector and by developing mixed agriculture in extant projects (rain-fed and irrigation-fed) and in suggested projects. This happened despite the fact that animals continue to contribute to a high degree to the national product, nutrition and production for export.
- Arab agricultural investment projects in the agricultural sector, which are financed through Arab efforts or through Sudanese-Arab efforts, with participation by the Sudanese private sector or public sector, or by both together, are confronting complex problems in the areas of energy, transportation, marketing and bureaucracy. They also face problems because of their reliance on foreign administrative systems and experience which are far removed from local reality. In addition, there are the problems of intervention and meddling in the allocation of land at the cost of the hard-won rights of the local citizens, as well as the effect of the fall in the value of the Sudanese pound on the economic value of these projects, especially those that are still in the execution phase.

Among the most serious issues confronting the agricultural sector and the future of its productive capacity is the deterioration of soil and grazing resources, as well as tree resources (forests,) as a result of failure to conserve the soil and to confront the problems connected with desertification with programmed scientific planning. Other causes of the problem are the unplanned expansion in the use of agricultural machinery, the decline in the level of conservation services for grasslands, and the deterioration in the provision of rural water supplies, as well as the chaos prevailing in land allocation and the jurisdictional redundancies in that area which plague the provincial governments and the central government.

In addition, the conference produced a number of recommendations for the mid- and long-term, in order to treat the deterioration of the agricultural situation and save what is left. The conference discussed the industrial sector and its deterioration in similar fashion and presented a number of recommendations in this area. However, it ought to be noted that these recommendations did not link this area with the area of agriculture. Nevertheless, some conference participants who gave their opinions on the agricultural situation made recommendations to the effect that industries ought to be set up in coordination with agricultural planning. They linked these recommendations with the observation that most of the Sudan's industries are processing industries or simple craft industries.

The conference also dealt with the areas of services, administration, transportation, communications, energy, education, and health, and came up with a result similar to what it produced in its discussions on commercial, economic and financial policy and production.

After this conference, the official media reported that the "Club of Paris" had agreed to reschedule the Sudan's debts for longer maturities. The minister of finance, Ibrahim Mun'im Mansur, announced this as well. The governments of the club offered new assistance to the Sudan. In a reversal of custom, the Sudanese newspapers devoted broad headlines to the assistance, which made it clear that the aid would be used first in the service sector. However, observers of the situation note that the aid has still not been dispersed, with the exception of the enormous support offered by the Arab Investment Bank.

One final thing must be said. If this is what 14 years of talking about development has achieved, then who is responsible? The answer to this question can undoubtedly be found in the facts discussed by those who attended the conference. They are well known, not secrets or shocking disclosures, and they are experienced by the great majority of the people of the Sudan. Indeed, they have more facts than the conference did.

12224

CSO: 4504/450

FRENCH JET FIGHTER, EXOCET MISSILE DEAL COMPLETED

London AL-DUSTUR in Arabic No 293, 4 Jul 83 pp 18-19

[Article by Muhammad 'Ali Qasim: "The Super Etendard Fighter Jets and the Exocet Missile Enter the Iraqi Arsenal"]

[Excerpts] If it was the Falklands war, which broke out in the spring of last year between Britain and Argentina, that brought out a new star on the stage of military technology in the world, then that star was unarguably the French jet fighter the Super Etendard which the Argentines used in that war with such great effect that it enabled them to sink and hit a number of the principal British warships. There has continued to be agreement in the ranks of all observers and military analysts, and even amongst the British themselves, that the jet fighter Super Etendard and its deadly weapon the Exocet anti-ship missile burst forth as the big surprise to come out of the islands war in the South Atlantic. Even more, without a doubt these weapons were the principal threat to the British forces involved in the fighting there.

It should not be considered strange that the news which revealed Iraq's recent acquisition of a number of the advanced Super Etendard fighters from France characteristically caught the attention of the various international military circles, since there can be no doubt that the presence of these jet fighters in the Iraqi arsenal will lead to a very significant qualitative upgrading of the fighting abilities of the Iraqi forces in their on-going war with Iran, which has lasted several years already. Perhaps the most prominent factor which the use of the Super Etendard assures is that it seems to be an escalation of the Iraqi forces real ability to conduct bombing sorties and strategic marine attacks. Because through this kind of power it will be within the capability of Iraqi planes to control the stage of marine operations from the air throughout the Gulf region. It is the nature of this situation that if the Super Etendard is used and it is from the start directed chiefly at bombing naval targets like ships and various armed boats using its air-to-surface Exocet missiles which this jet carries, then that use would not be restricted only to those operations but it could also include some offensive raids against land-based targets, regardless if these targets were on the coast or situated near the coast, or if these targets were far onto Iranian soil. Due to the multi-purpose attack radar system which the Super Etendard fighter carries, and due to its armament which is not limited to the Exocet anti-ship missile but which also includes accurate

guided air-to-surface missiles, the offensive role of these fighters can come to include various kinds of bombing in addition to their being equally capable of engaging in pursuit, counterstrike, and air combat operations when necessary.

The Use of Exocet Missiles in the Gulf War

In any event, Argentina has not been the only country in the world to take notice of the Exocet missile's effectiveness against ships or to rely on their use in battle. This missile is no stranger to the skies of the Gulf since Iraq was the first country to use the Exocet missile in operations against Iranian naval targets. Relying on numerous reports from Western military sources, Iraq obtained the airborne variety of this missile in the late 70's. However, the Iraqi missiles were not carried on the Super Etendard but aboard the Super Frelon helicopters specially designed for naval bombardment. These sources report that the Iraqi forces used the Super Frelon-Exocet combination on numerous occasions, resulting in the hitting or sinking of a number of ships, warboats, and Iranian oil tankers of different classes.

The Exocet missile will not be therefore a novelty in the Iraqi weapons arsenal when it is brought into service aboard the Super Etendard jet fighters, rather getting these will be an additional qualitative measure that gives the Iraqi air force greater operational versatility and power to control the skies and areas where helicopters have been unable to operate by nature of their design and instruments. Due to the new Exocet-Super Etendard system Iraq will possess an attack jet fighter capable of flying in different kinds of weather and at all altitudes, at speeds of near the speed of sound, with a range of nearly 300 kilometers near sea-level and 700 kilometers at high altitudes as a typical operational average.

Regarding the extremely accurate radar-guided Exocet missile, its superior features include the difficulty of shooting it down or dodging it since it flies at a height that just skims the water's surface which reduces the warning period necessary for targeted ships to take countering defense measures. In addition, its most important feature lies in its long range which varies between 42 and 65 kilometers which means that it will enable the Super Etendard jets armed with it to fire it at the target without the necessity of approaching the target or being exposed to the anti-aircraft defense systems which the target may carry.

9587

CSO: 4404/508

WOMEN DONATE GOLD JEWELRY FOR WAR EFFORT

London AL-DUSTUR in Arabic No 293, 4 Jul 83 pp 20-22

[Article by 'Abd-al-Wahhab al-Qaysi: "Iraq is More Precious than Blood or Gold"]

[Text] Thousands of Iraqi women, accompanied by their children and carrying their gold jewelry, have hastened to contribute it in support of the war effort, a new demonstration reflecting the extent of the national mobilization in Iraq which was expressed by one of these women: "Gentlemen, do not consider it strange that Iraq has become like one house with one heart, one will, and one resolve."

The elderly women observe while they lean on their canes as they come to empty their handbags of gold jewelry.

That was the result of a letter that Manal Yunis, president of the General Union of the Women of Iraq, sent to Iraqi President Saddam Husayn which revealed the desire and intention of Iraqi women to donate their jewelry for the support and strengthening of the spirit of victory. The general Union of the Women of Iraq, which has the largest female membership in the Arab world, has already mobilized a large assembly of women to discuss the role of women in the war.

The women of Iraq brought forth the suggestion that women were still waiting for greater tasks after President Saddam Husayn made men and women equal in their rights and duties, but he continued to put bans on women's participation in combat in spite of their persistent and urgent insistence to participate in combat on the battle fronts with the troops. President Saddam Husayn however said during his visit to the Union of the Women of Iraq, "We really could not bear to see Iraqi women in captivity." The Iraqi president decided the issue by saying, "It is possible that Iraqi women can assume duties within the country and go to the battle fronts only for some field experience for a few days."

However the duties and role of women, in their view, were still not what they should be in a country that has been completely engaged in a war for the past three years and this became clear at the meeting of women that was held at the beginning of June 1983 when President Saddam Husayn finally agreed,

only at the insistence of Iraq's women, to the idea of donating their gold jewelry in support of the war effort. Mrs Manal Yunis had previously sent her letter to the President requesting the need for it in compliance with the desire and intention of Iraq's women to step up the level of their actions. The President agreed to this initiative in a letter of response he sent to Mrs Manal Yunis saying: "I was really possessed by bountiful feelings of joy and pride when people in my administration brought to my attention the spontaneous offer of women to donate in this manner." He also said: "I really know what it means for the women of Iraq to contribute their jewelry since it comes close to everything she has to prompt and encourage her sons to counter Iraq's enemy in this savage war. She is al-Khansa who has appeared again but she appears this time in Iraq embodied in the personality of every noble Iraqi woman, the mothers, sisters, wives, and daughters of the martyrs of al-Qadisiyah and the men who have passed on in the fields of combat of the past three years. For that you decide to make a monument of gold to relate to future generations the stance of the Iraqi woman at the second al-Qadisiyah."

Thus the large sums of gold contributed so far have reflected the sentiment of Iraqi women and their response and determination to achieve victory and push the offender from Iraq.

One of the contributors named Batwal Shamil Ahmad who brought with her children to the General Union of Iraqi Women a quarter kilo of gold said: "Iraq is more precious than gold." Her children looked on in pride when she sat her infant Zahra' Ghanim Ja'yaz on the table of the reception committee and started to take off her ankle rings and bracelets and presented them to the committee which was recording the details, while the infant sat peacefully looking with laughing eyes at this spectacle and other women waited proudly carrying their donations of gold jewelry.

Unexpectedly the sums of gold collected surpassed the wildest imagination. Perhaps President Saddam Husayn was shocked that actions outstripped expectations. He said in one of his speeches: "We have not yet had to use our standby reserves. Our reserves are inexhaustible because they are the people of Iraq."

An old woman came who was leaning on a cane. She carried a cloth pouch of gold jewelry. The president of the committee receiving donations was moved to help her present her donation because the old woman could not even stand because of her age.

One of the women who was carrying 670 grams of gold said as she gave her donation: "How cheap gold is, and how dear is the country! All that I own is a sacrifice for Iraq and its people, and for its army that fights for the legitimate right established in the divine law and in conventional laws, set down in precedent and logic, that is the right to self-defense against the ignorant enemy who wants to swallow Iraq."

Meanwhile Fayda 'Abd-al-Karim, a schoolteacher from al-Dawr district north of Baghdad, was carrying in her hand a bunch of bracelets, carefully

sorting them to help the committee's efforts to record the details. She saw a child, aged 12, who came with her grandmother take off her bracelets and earrings with a smile and give them to the committee. Her grandmother Mrs Nabihah 'Abd-al-Razzaq began to sort out the bracelets she gave. She said: "A speck of Iraqi earth is more precious than all the gold I possess."

In one of the sections of Baghdad the national campaign to donate gold in support of the war effort became lively. One of the committees collected what weighed 150 kilograms of gold while in one street alone in another section of Baghdad nearly 400 kilograms of gold were collected. I saw a woman donating all the gold she owned even taking off her gold engagement ring to donate it, a matter that caused one of the members of the committee upon accepting the ring to protest. She replied: "It is not important for me to wear a ring of gold. But I can just as well put on a silver band. The important thing for me is the country and everything other than that seems cheap, beginning with the spirit and ending with gold!"

AL-DUSTUR was there to record with its cameras these scenes and to record the names of those who wanted their names mentioned and their pictures taken, but people were free to have their names withheld. It should be mentioned that Iraqi women accumulate gold the most since it is used as a form of life insurance, especially for housewives. Fatimah 'Ali, a pensioner, claimed: "If the revolution was our security then what are we doing with gold? The revolution has already given me a retirement pension and the gold we give now is from before the time of good faith."

This donation campaign occurred while the Iraqi dinar witnessed an escalation in value which could amount to 30 fils to the dinar so it is anticipated that the total amount raised from this national campaign to donate gold will be equivalent to 8 million dinars.

9587

CSO: 4404/508

HA'ARETZ ANALYZES WEST BANK BUDGETS

Link Between West Bank, Israel

TA101006 Tel Aviv HA'ARETZ in Hebrew 10 Aug 83 p 7

[Article by Tzvi Bar'el: "A Transistor Radio for Everyone"]

[Text] Let us do a small mathematical exercise. If we add the inhabitants of the West Bank to the State of Israel, we get a population of about 5 million people. Now we will take the state budget and divide it by the expanded number of inhabitants. According to the data in my possession, the budget is 427 billion shekels (after deducting the defense budget and repayments of debts). To be honest, we will add the tiny civilian administration budget--totalling 5.8 billion shekels--and then, after simple division, what we get is that for every citizen, both original and added on, we have a state budget totalling 87,000 shekels; not that this is a great deal, but nevertheless it is something.

Let us show the Arabs some more data. If we divide the West Bank budget, which stands at 5.8 billion shekels, among 800,000 inhabitants, we get an allocation per person of 7,250 shekels a year. However, as a result of the annexation, the inclusive amount that the state would allocate to the inhabitants of the West Bank would increase to about 70 billion shekels a year--12 times as much as the state is prepared to allocate them at present.

Is this not convincing, either? Then let us show them what they are actually getting today. And if this, too, does not convince them to agree to Israeli annexation, it is a sign that we really are dealing with Arabs.

Where, in fact, does the West Bank budget go today?

Out of 5.8 billion shekels, about a billion shekels are intended for a development budget, which we will deal with in just a minute. What is left is 4.8 billion. Of this, about 250 million are paid to Israeli officials in salaries and benefits. Another 113 million are pumped into routine maintenance of the village leagues and the rest is allocated for the routine maintenance and operation of what exists. And what exists, if we admit the truth, is not much of a reason for national pride. I am told that during the Jordanian period things were, it is true, worse--fewer services, fewer schools, less water, and less electricity. This is true, but we must recall that if Jordan ruled

West Bank for some 18 years--until we liberated it from this burden--we have already been ruling it for 16 years. In another 2 years we will no longer be able to parrot the well-known saying: "What Jordan destroyed over 18 years we cannot repair in a day," because 16 years certainly do not equal 1 day.

As against this, those responsible put forward another claim: "There is also a special budget for development, a budget intended to improve and raise the standard of the services the citizen receives. Why do you not look at it?" I have looked. The West Bank's development for 1983 amounts to about a billion shekels. With such a sum one can pave about 70 km of road or establish 10 settlements or double the salary of all West Bank teachers. However, in fact, the development budget does for other goals. And if the mathematical exercise concerning the annexation of the West Bank population seems to you to be out of place, a study of the development budget shows us that no mistake can be made as to the direction of the thinking.

In the field of water, for instance, the budget speaks about connecting the Arab villages to the water pipeline connecting the Tapu'ah settlement to Elon More. Another part points to new water connections in the Ra's Karkar region, where settlements are supposed to be established. The electricity section in the budget is even clearer: Here we can find that Janin, Nabulus, and many villages in their areas are due to be connected to the national electricity grid. The same thing applies to villages in the Hebron and Tulkarm districts. And what about telephones? One clause speaks of cancelling the Tulkarm switchboard and connecting its subscribers to the Alfe Menashe switchboard. Section 'B' determines the cancellation of regional and village switchboards and connecting their subscribers to urban switchboards or Israeli communications centers.

In the field of roads, the development budget points to the fact that at least four of the six planned are intended to connect various settlements and, in fact, these will be paved and widened for them. It is true that, as a side effect, the Arabs will also benefit from them.

The cost of the above projects amounts to about 285 million shekels. That is, more than a quarter of the development budget is intended to reinforce the political link between the West Bank and Israel and create the "desirable dependence" between the inhabitants of the West Bank and the Israeli economy.

Now comes the turn of the village leagues, too. These creations of Israeli politics also cost a great deal. This is because, in addition to the normal budget totalling 113 million shekels, they are getting grants totalling 148 million shekels from the development budget. This sum is intended for various projects initiated by the leagues and they will be responsible for their implementation. Purely for the purpose of comparison, it is worth nothing that the sum the leagues are getting is triple that intended for the construction of schools and more than double the development budget of the health system.

Within the framework of the development budget we can also find all sorts of tails, such as the development of nature reserves, national parks, and one synagogue; things that do not actually serve the local population, but, on the

other hand, do not take up much money. Ah, yes--there is also a shocking sum of 6-7 million shekels (in words--seven million six hundred thousand shekels) intended for the development of industry and agriculture--enough to establish one medium-sized plant.

So what remains? What remains is a sum equal to about a quarter of the development budget and it is, it is true, intended for the establishment of new classrooms, the improvement of the equipment and buildings in the health system, a certain amount of renovation in the bus system in the West Bank, apart from aid to the 25 municipalities, as well as the village councils.

That concludes the figures and calculations. And these, it seems to me, show clearly that anyone who speaks of equal rights and equal services for the Arabs, if and when there is annexation, has not taken into account these destructive calculations. Or would we be wrong in thinking that, in fact, nobody intended to provide equal services for all the citizens of Greater Israel? But even without annexation, it seems to me to be somewhat disgraceful to give 800,000 inhabitants a development budget sufficient to buy a transistor radio for each person.

Civilian Administration Budget

TA070907 Tel Aviv HA'ARETZ in Hebrew 7 Aug 83 p 2

[Report from the West Bank by Tzvi Bar'el]

[Text] The Civilian Administration's approved budget in the West Bank for 1983 will be about 5.7 billion shekels. This budget is larger by 123 percent over last year, and means a decline of 3 to 4 percent in real terms.

Only about 1 billion shekels, less than 20 percent, of this budget is allocated for development. The rest is allocated for the salaries of about 12,000 workers, of whom 325 are Jewish, and for the regular maintenance of government institutions.

The government will contribute about 42 percent of the development funds, while the rest will be financed from direct income from the West Bankers, which is estimated to reach 3.34 billion shekels.

The major expenditure (about 2.7 billion shekels) in the regular budget will be in education, and is intended to maintain a system which numbers 805 schools with about 220,000 students. This sum is also for mostly Arab workers in the education system, 8609, as opposed to 12 Jewish workers.

As for revenues, the Civilian Administration anticipates collection of about 1.5 billion shekels from various taxes, and the rest from various branches such as health--315 million shekels, telephones--190 million shekels, and court fees. As far as courts are concerned, they are expected to have an income of about 10 million shekels from the payment of fines.

The area village leagues are allotted 113 million shekels in the regular budget. This money is intended for the regular maintenance of structures, payment of salaries to workers and the leagues leaders, maintenance of vehicles, and financing the leagues' paper. In addition, about 114 million shekels of the development budget allocated as a grant to the leagues for various projects. This sum is identical to the sum which will be given in grants and loans to the 25 municipalities and 85 rural councils in the West Bank. For the sake of comparison, the leagues' development budget is almost 3 times as much as the sum slated for building schools in the West Bank, and is more than twice as much as the sum allocated for developing the health system there.

CSO: 4400/460

BRIEFS

ZAIRIAN RAIL RENOVATION--Technicians from Israel are supervising the renovation of the railroad in Zaire's Shaba Province. This has been disclosed in London by Western intelligence sources. The section of the railroad is part of the line which carries the province's resources to a port in Angola. Over the past few years the railroad has been damaged, among other things, by attacks by the ("Unita") rebels who are fighting the Marxist regime in Angola and this has caused grave harm to Zaire's tottering economy. ["Exclusive" report from London by Yosi Melman] [Text] [TA100928 Tel Aviv HA'ARETZ in Hebrew 10 Aug 83 p 1]

PERSONAL CONSUMPTION UP--Private consumption skyrocketed during the first quarter of the year, official statistics released yesterday show. During January-March, average per capita expenditure increased by 6 percent, as compared to what it was at the end of 1982. Central Bureau of Statistics figures show. Among the expenditures which increased markedly were spending of Israelis abroad (32 percent) and consumption of durables (27 percent), after rising by 13 percent in the last quarter of 1982. During the first quarter of this year, Israelis spend 14 billion on home appliances, as compared to 9 billions during October-December 1982. This is a 27 percent rise when price increases are taken into consideration. Expenditures on private automobiles also rose sharply--from 4.5 billion at the end of 1982 to 8.5 billion in the first quarter of 1983, a 55 percent increase in real terms. [Report by economic affairs correspondent Avi Temkin] [Text] [TA050801 Jerusalem THE JERUSALEM POST in English 5 Aug 83 p 1]

NEW ENGLISH-LANGUAGE WEEKLY--A new English-language weekly called NOW will begin appearing in October. The weekly will appear every Thursday and 60,000 copies, intended for the English-speaking population in Israel, will be distributed. The publisher of the new weekly is a new immigrant, Sunny Levi, who has been living in the country for 5 years. Levi was a correspondent for some Jewish papers in Philadelphia. The weekly's editor will be Ralph Mendel who previously worked for the Government Press Office. The adviser to the paper's editorial staff will be Ze'ev Hefetz who was the manager of the press office. In response to a question, Levi said the new weekly will be independent and will carry an extensive variety of opinions. She added that NOW will try to be the first English-language answer to the local papers. It was reported that, among others, the weekly will be financed by a New York investment company. [Report by Eli Kohen] [Text] [TA090917 Tel Aviv HA'ARETZ in Hebrew 9 Aug 83 p 3]

CSO: 4400/460

PALESTINIANS FACING INCREASING DISCRIMINATION

Jerusalem AL-FAJR in English 8 Jul 83 p 9

[Article by Robert I. Friedman]

[Text]

Almost daily something happens in Lebanon, one year after the start of the Israeli invasion, to remind the Palestinians of the slaughter of Sabra and Shatila. A car bomb guts a Palestinian-owned factory, a Beirut business dismisses its Palestinian employees without reason, hooded Christian militiamen kidnap a Palestinian on her way home from work, and her battered, sexually abused body turns up in an orange grove somewhere — if it turns up at all.

The motive behind the terror is clear: to stampede the 400,000 Palestinians living in Lebanon across the border into Syria.

But neither are the Palestinians welcome in Syria, where they are discriminated against on every level of society. So they have nowhere to go. Palestinians in Lebanon survive in a dark cage of fear. "Being Palestinian in Lebanon today," says a Palestinian writer in Beirut, "is like being a Jew in Nazi Germany."

The man behind this nightmare is Zaki Bustani, the imposing, charismatic, and thoroughly incorruptible head of the *Suretee Generale* (internal security force). Bustani is a passionate Phalangist from one of Lebanon's most prominent families. He was a devoted friend of the late Phalangist militia chief, Bashir Gemayel. Like Bashir, he detests the Palestinians, whom he blames for all his country's ills. Bustani once told the East Beirut newspaper *Al-Amal* that the Pale-

stinians are culturally inferior to donkeys.

Entrusted by the government of Amin Gemayel to purify Lebanon of its unwelcome Palestinian 'guests', Bustani has been granted broad police powers and a huge budget. And in recent months, his power has grown to where it rivals that of the Lebanese president himself.

Bustani's hired bullies harass Palestinians where they live and work. The refugees in Beirut, not knowing what is behind the harassment, take few chances; they stay quietly, usually jobless and often moneyless within the camps, trying to disguise their Palestinian accents if they do venture out. Even so, quite a few are arrested, held *incommunicado* at a police station, and then, if they are lucky, released without charges. Most of Lebanon's Palestinians are legal residents. Only a few have Lebanese passports. The majority have *laissez-passeurs* or residency cards, which Bustani plans to revoke. Palestinians with no papers or forged papers have slipped away.

A prime target of Bustani's purification programme is the American University of Beirut (AUB), considered the most influential and prestigious university in the Arab world since it was founded by Presbyterian missionaries from America in 1866.

The 73-acre park-like campus, with

its red-tiled roofs, cyprus groves and spectacular hilltop view of the Mediterranean, has traditionally been a melting pot for Arab elites. Among its 25,000 living alumni are many of the luminaries of the Middle East. Lebanese Foreign Minister Elie Salem graduated from AUB (and was, until last year, its Dean of Arts). So did Dr George Habbash of the Popular Front for the Liberation of Palestine.

The Maronite ruling class, educated in a conservative Jesuit tradition at St. Joseph's University in East Beirut, has long viewed AUB with deep mistrust. As far as they are concerned, AUB's liberal, academic environment allowed the campus to become a 'hot bed' of Arab radicalism that spawned the 1975-76 civil war, in which the Palestinians played a prominent part.

Determined to wipe out radicalism and the Palestinian presence with a single blow, President Gemayel pressured AUB to increase the proportion of Lebanese students starting classes this fall, while making it more difficult for foreign students, especially Palestinians, to win scholarships. This year, 80 percent of AUB's student body is Lebanese, up from 50 percent just five years ago.

Meanwhile, according to university sources, Gemayel told AUB officials to either silence or dismiss its liberal faculty members. A Maronite think-tank affiliated with the university has already drawn up a hit-list of Palestinian and left leaning Lebanese professors who will be purged when the time is ripe.

In the government's most blatant effort to squeeze out Palestinians, who currently represent less than seven percent of the university's population, Bustani told AUB officials last fall that prospective students and faculty members first had to be cleared with the internal security force. Bustani backed down when the university resisted.

"Amin has stated strongly that AUB should serve Lebanon first and become a strictly Lebanese university," said Malcolm Kerr, AUB's newly instated chancellor. "His attitude has hurt the school's morale. We are currently walking a thin line with the government. We

have to keep the students apolitical so we can keep the government off our backs."

In order to lessen potentially disruptive political tension on campus, Kerr banned student elections this year. Political posters and graffiti have been removed from campus walls. Last December, Lebanese flags and portraits of President Gemayel began to sprout around the campus.

Furthermore, Lebanese troops are standing guard outside AUB's main gate. And the school's 4940 students are required to carry their Lebanese identity cards along with school passes.

This state of siege, with its anti-Palestinian overtones, has Palestinians at AUB laying low, hoping that it is a phase that will pass.

The evidence indicates that the department heads in the humanities have done an admirable job in shielding students and staff from outside pressure. Palestinian students of liberal arts say that they are relaxed enough to attend class and concentrate on their studies.

But at AUB's famed medical school, trouble is brewing between the Palestinian students and the elitist, predominantly Maronite staff. Palestinians complain that admission to the medical school is weighted against them, and that even if they do get in, prejudiced Christian doctors find ways to obstruct their careers — often by writing such poor letters of recommendation that it is impossible for them to find residencies or internships. Palestinians also frequently charge that less qualified Christian students who attend an off-campus programme in East Beirut win coveted seats in the medical school simply because they are Christian.

"Medicine is the most prestigious profession in the Arab world," explains a Palestinian doctor in West Beirut. "Now that the Phalangists are ruling the roost, they are trying to close us out of the profession, at least at AUB."

Palestinian protests eventually reached Chancellor Kerr last fall. After

investigating the matter, informed sources say Kerr ordered the dean of the Medical School, Raja Khoury, in a closed-door session, to end discriminatory practices.

Khoury, who was interviewed at AUB's New York City headquarters last April, angrily denied charges that Palestinians were being discriminated against at the medical centre. He argued that admittance to the medical school is based solely on computerised test scores, and that the selection committee has no way of knowing who is Palestinian or Lebanese, Christian or Muslim. Yet when pressed, Khoury admitted that letters of recommendation and personal interviews are also determining factors. He also conceded that Maronite students attending pre-medical studies in the off-campus programme in East Beirut have been accepted into the medical school with grade point averages that are nearly 10 points lower than those of their counterparts studying pre-med on the main campus in West Beirut.

Dr Khoury said he supported the Lebanese government's decision to increase the percentage of Lebanese students attending AUB. The medical school population already has changed radically since 1974, when half of the graduating class was non-Lebanese. In 1980, only one-third was non-Lebanese. In 1983, just one-quarter of the 80 graduates will be non-Lebanese.

Kerr refused to comment on the problems at the medical school when he was interviewed in his New York office last March. He did admit that the Centre for Off-Campus Programmes (OCP), in East Beirut, is "a touchy subject." The centre was established in 1976 so that Christian students from East Beirut who found it too dangerous to cross into the western sector could still attend classes. The centre has 500 students.

"The OCP is a political problem," Kerr explained. "The people in the east have been saying, 'make it bigger and better,' while those in the west are saying, 'do away with it.' I'd say we'd certainly want to eliminate the programme when there's no need for it — to many it symbolises the partition and division of Lebanon. And we don't want

there to be a need for it. But we'll have to see how it goes. If there is any lingering demand for it, we might keep it going for a while. Right now, we don't want problems with anybody."

Kerr is also very concerned about the problems facing Palestinian students and staff. "I understand that the feeling of insecurity is widespread among Palestinians. As for their charges of discrimination, I'm sure some are true and others imaginary. Fear makes the situation worse. I'm not ignoring the problem. I'm not discounting it."

Kerr admits, however, that the government is 'very sensitive' about having Palestinians on campus. "We want to hire the best faculty and have the best students we can get, but the government doesn't want us to discriminate against Lebanese, or to become a Palestinian guerilla training camp. Over the last eight years we had plenty of students on campus who were out of control."

But since the PLO and the Syrian army retreated from Beirut last summer, it has been the Gemayel government and the Phalangists who have been out of control.

Their terror tactics used against Palestinians in Beirut have spread to the area under Israeli control in South Lebanon. A recent Lebanese civil court ruling ordering the government to evict Palestinians from Mieh-Mieh refugee camp near Sidon, South Lebanon, because it is on 'illegally expropriated land', confirms Palestinians' worst fears — that they will be driven from their homes as soon as the Lebanese government establishes effective control over the region.

In the meantime, the Lebanese government is doing whatever it can to make their lives as grim as possible. The government's refusal to provide health care has become an especially serious problem. A government hospital adjacent to Ain al-Hilweh refugee camp, which was hard hit in last summer's fighting, has refused to admit Palestinian patients, although UNRWA guarantees payment. Before the war, Ain al-Hilweh had

eight PLO-run clinics and one hospital. Now two Palestinian doctors must care for more than 25,000 people. Palestinians who need hospitalisation are sent to private hospitals in Sidon or Israel. Dr Fikri Fadour, head of the Ain al-Hilweh clinic, said that many of his seriously ill patients have been turned away from the AUB medical centre hospital (AUH). "We're considered foreigners. We don't have priority," Fadour explained.

Fadour said he has two patients who need kidney dialysis. Before the war, refugees in the Sidon area could get dialysis at the PLO hospital, now closed. Although the government hospital next to Ain al-Hilweh has six units that were recently donated by the American Joint Distribution Committee, only Lebanese citizens are permitted treatment. "When we called AUH to reserve a dialysis unit for two patients," said Fadour, "they said they had place for one. We had to send the other patient to Israel."

Dr Raja Khoury vehemently denied Dr Fadour's allegations that critically ill Palestinian patients were being turned away from AUH. However, a spokesman for the Joint Distribution Committee in Jerusalem, who donated six dialysis units to the Lebanese government hospital next to Ain al-Hilweh and who works closely with AUH, said that Phalangists had threatened to kill Dr Khoury if the hospital didn't stop admitting Palestinians.

A Palestinian professor at AUB who knows Khoury says, "Khoury is a complex, charming and brilliant man who has many Palestinian friends. He is troubled by what is happening to Palestinians. But his home, family and work are in Beirut. Why should he give it all up to help Palestinians?"

Death threats, kidnappings and

random killings have become daily occurrences in Beirut. The prevailing anarchy has hurt AUB. "We've lost a lot of people because of the shooting in Beirut," says Kerr. "A significant number of students and a lot of our best faculty members."

Kerr says the university's sense of insecurity was heightened last summer when the school's acting-president, David Dodge, was kidnapped at gunpoint on a busy Beirut street. He has not been seen since then. "Under the circumstances, it's easy to see why so few faculty members will stick their necks out to help us," said a Palestinian student in Beirut.

University officials say the current attitude of the Lebanese toward the Palestinians stems from the fact that in its eight-year reign in Lebanon, the PLO frequently abused its power. "The anti-Palestinian backlash is deplorable, racist, but understandable," said a Palestinian professor at AUB. "For years the PLO flouted Lebanon's rules. Now the Palestinian students can't understand why the Lebanese don't want them around."

At this point, it seems unlikely that AUB will be able to become what it once was, a nonsectarian bastion of academic freedom in the Middle East. The forces of intolerance and racism characterised by Lebanese government policy toward Palestinians in Lebanon and AUB are gaining ground.

Since AUB is an American institution chartered under the laws of New York state, and supported in part by American funds, it is a tangible expression of America's vital interests in the Middle East. As such, the [?] should lead the way in the fight against the narrow-mindedness and bigotry that are threatening to engulf not only AUB but Lebanon.

DEVELOPMENT OF ENERGY, WATER RESOURCES DISCUSSED

Muscat 'UMAN in Arabic 16 Jun 83 pp 1, 14

[Text] The Ministry of Electricity and Water has completed work on water systems in Sur, Tiwi, al-Ashkharah, Suhar, Nazwa, and al-Buraymi in addition to digging 57 wells in the al-Batinah region, 61 wells in the interior region, 52 in al-Zahirah region, 36 in the eastern region, 13 in Qariyat, and 14 in the desert region.

Likewise 127 distribution points serving 400 residential settlements in different parts of the Sultanate were set up. Water storage capacity was increased from 3 million gallons to 18 million through the construction of 385 storage tanks throughout the Sultanate.

His excellency Shaykh Hamud bin 'Abdallah al-Harithi, minister of electricity and water explained this in an exclusive talk with 'UMAN about the past 5 years since the ministry's establishment as well as the extent of the ministry's accomplishment of its goals. He said: "I am honored to have my name mentioned on the banners of the state in the presence of his honor, the excellent Sultan Qabus.

"Regarding the achievement of the goals set for the ministry I would like to confirm that those goals shall not be attained until electricity and water is provided to all our countrymen."

The accomplishments of the ministry over the past 5 years are represented by the development of power and potable water resources, and the establishment of aerial and underground cable lines, pipelines, and storage tanks; this all to meet the increased demand for electricity and water that is a consequence of the rapid pace of development on the economies of Omani society.

Generating capacity for electric power has already increased from 112 megawatt/hours to 984 megawatt/hours. Also water production capability has increased from 4 million gallons a day to 12 million. Water storage capacity has increased from 3 million to nearly 18 million gallons through the construction of 385 storage tanks throughout the Sultanate.

Furthermore, 3131 kilometers of overhead line have been strung along with 257 kilometers of underground cable that were laid. A further 258 kilometers of water pipes exist in different regions, 280 wells have been drilled, and 57 water distribution points created.

The number of those served by these projects in the past 5 years has grown from about 36,000 to more than 100,000 people.

His excellency spoke about the recent expansion of the al-Ghabarah desalination station and other desalination stations, saying that an additional desalination unit was purchased and installed at al-Ghabarah. It started operations in November 1982 and its output totals 6 million gallons per day. Also desalination plants were purchased and installed in Ras al-Hadd, Ras Madrasah, Ras al-Duqm and Mahut; their output totals 22,000 gallons per day per station. They serve residential settlements with populations of 8,000 and they all began operations in the period between November 1982 and March 1983. The median consumption of these areas amounts to almost a million gallons monthly. The ministry is currently setting up an additional desalination unit in Masirah which will begin operations in January 1984 with an output of 133,000 gallons daily to meet the increased demand for water there.

His excellency Shaykh Hamud bin 'Abdallah al-Harithi spoke about the particulars of the water projects and the plan to discover more wellsites. He said: "Aquifer waters are considered the primary source of drinking water. For that the ministry is concerned with finding fields for new wells, so for example in Wadi Udayy the ministry has begun drilling on 40 wells to pump nearly 6.5 million gallons daily. However the ministry does not resort to using aquifer water except when the output of the desalination station in al-Ghabarah is not sufficient."

The matter is not restricted to drilling wells and the discovery of potable water, but in addition it includes building storage tanks and setting up pumping stations and laying lines between the pumping stations and storage tanks and water distribution lines to consumers.

His excellency added that it is only in the capital where four well fields and 17 storage tanks exist along with pumping lines with a total length of nearly 40 kilometers and a water system that has a total length of 300 kilometers.

On the question of developing interest for electric and water projects his excellency said: "Since the creation of the ministry there began to be concern for connecting electric and water services to the towns and villages of the interior. In the period from the first of September 1978 until 15 May 1980 work on 25 electric stations was completed. Since then work to step up generating capacity has continued gradually along with the rapidly growing increase in demand for electricity to the point that the generating capacity required exceeds 90 megawatt/hours. Likewise the number of users has reached nearly 36,000 an increase of

nearly 20 percent annually. Then demand for electricity has increased so that upgrading of generated output of the stations continues. The total electricity generated in the towns, interior villages, and rustic villages has increased from 158,000 kilowatt/hours per year in 1979 to 397,000 kilowatt/hours in 1982.

"As for water, in addition to the purchase, installation, and operation of the desalination units previously indicated, the ministry has completed setting up a water system in Sur, Tiwi, al-Ashkharah, Suhar, Nazwa, and al-Buraymi. In addition it has drilled and improved 57 wells in al-Batinah region, 61 wells in the interior, 52 in al-Zahirah, 36 in the eastern region, 13 in Qarayyat, 14 in the desert region. It built 127 water distribution points to serve nearly 400 residential settlements, five of which are in the desert region."

9587

CSO: 4404/476

MUSANDAM DEVELOPMENT COMMISSION PLOTS AREA RECONSTRUCTION

Muscat AL-NAHDAH in Arabic 5 Jun 83 pp 16-18

[Interview with Minister of State Brig Gen al-Mu'tasim bin Hammud, minister of state and president of the Musandam Development Commission by AL-NAHDAM; date and place not specified]

[Text] The Musandam region has acquired a strategic importance by its important location on that corner of the Arabian peninsula bordering on the Straits of Hormuz, the world's gateway to the Gulf. This region, which lies north of the Sultanate, is known as the "mountain peaks" because that expresses the area's rocky cluster of mountaintops that appear to be like pin heads. The government of His Exalted Excellency has given the area a special importance in view of its strategic importance not to mention as compensation to its people for the years of deprivation in which they lived before the glorious palace coup. His Excellency's concern for this region was demonstrated in the royal decree to form the Musandam Development Commission to be responsible for the duty of developing this region.

In view of the significant role of this commission in developing this strategic place thereby making this region a center of attraction, reconstruction, and activity after its having been a neglected center and a foresaken place deprived of the modern standards of life, AL-NAHDAH went to the official responsible for developing this important and strategic region, his excellency Brig Gen al-Mu'tasim bin Hammud, minister of state and president of the Musandam Development Commission where this fascinating conversation occurred.

[Question] What were the motives that led to the formation of the Musandam Development Commission? What are its goals and its responsibilities?

[Answer] The Musandam Development Commission was formed in June 1976 with the aim of promoting the development of a basic infrastructure in Musandam and that was to be in coordination with the concerned ministries. In December 1979 His Exalted Excellency Sultan Qabus granted the Musandam Development Commission executive powers and responsibilities in the Musandam region over the following fields: electricity, water,

communications, municipal and ownership matters, and post, telephone, and telegraph, commerce and industry, agriculture and fishing, youth affairs, public works, and information. The purpose of this re-organization was to quicken the development of the basic infrastructure of this untouched forsaken region. This was to be done by concentrating on planning and providing lines of communication.

[Question] What are the most important accomplishments that the commission has achieved since its foundation?

[Answer] In answer to your question I would like to shed some light on our important achievements of the past 3 years.

Electricity generating capacity in the region has increased ten times to meet the requirements for peak periods of use, likewise preliminary steps have been taken to build an electric network from the central electricity transforming station in Khasab with a 33 kilovolt line that will connect the west coast and a 33 kilovolt line that will connect Khasab with the east coast. Currently work is underway to set up both these lines. The extensions which have been done on the high-tension and low-tension lines has already resulted in new electric connections to more than 1500 houses in the principal villages.

Regarding water, the situation in the reg-on's capital at Khasab has already been improved a great deal both in quantity and quality by the drilling of new wells, laying watermains for distribution and a storage system. Efforts are being made now to make water connections to houses in Khasab, and we'll be able to charge for it shortly. There are similar projects in Madha' and on the west coast.

In November 1980 works on the satellite receiving station in Khasab were completed by which means telephone, television, and radio services were provided to Khasab. In the time remaining to the current five-year plan the commission will be working on providing these services to most of the villages of Musandam, Kumzar, Sall Istam, and all of the villages on the west coast opposite Khasab. Our estimates indicate that more than 90 percent of the inhabitants of Musandam will be included in these services.

One of the accomplishments having a direct commercial effect was the completion of the road across the peninsula, which connects the southern center of al-Bay'ah with the northern center at Khasab. It also affords the villages of the west coast a direct entry into the markets of the United Arab Emirates.

Although the paving of roads within the villages is regarded as outside the scope of our fiscal appropriations, nevertheless we are paving some roads in the cities; currently we are building the Corniche road in al-Bay'ah and will lay more than 8 kilometers of roads in the town of Khasab at al-Manatqasah within the next few months.

During our first 3 years we also completed the plans and construction of fishing ports in Khasab and al-Bay'ah. The two ports have facilities which are ample for commercial freighters and large local ships. Work has also been completed on a fuel depot in Khasab by which means fuel, diesel, and aviation fuel can be amply stored.

We feel that there have been some huge steps already taken in the area of city planning and regional affairs to where we proposed two goals for this area be put into the body of the current five-year plan. The first of these is the registration and authentication of land ownership within the principal villages, that is intended to exchange old tribal deeds with proper documents which prove ownership of a surveyed plot of land. The second was that the commission undertake at the same time the execution of a serious integrate program to plan the cities in relation to the major villages. This would aim to provide plots of land provided with the services that can be utilized for commercial, residential, or light industrial purposes. Building private plots will be completed in accordance with general plans to rebuild plots of land which were included in the framework of the comprehensive building plan for the villages. Our performance in this field is considered extremely important and we hope that in the coming year it will be one of our most important accomplishments to date.

We count agriculture and fishing among the priorities to which the commission has attached the utmost importance. The programs for the two fields have been represented in the guise of supports that offer services to local manufacturers more than through direct participation. Currently work is underway to build local extension centers in Khasab and al-Bay'ah to support our programs in these two fields.

[Question] What are the means of communication between Musandam and the Muscat region?

[Answer] With the completion of the mountain road which was built by the Ministry of Defense to connect al-Bay'ah with Khasab and the west coast it has become possible now for vehicles from the capital region to drive to Khasab. In addition to this the commission's lines of communications are supported by daily flights made by the Sultanate Air Force and by the maritime services which the commission's ships provide between Khasab and Mina Qubus.

[Question] Is there any possibility of finding oil in the region?

[Answer] Prospecting operations have already been done in the sea off of Musandam and inquiries connected with these activities should be directed to the Ministry of Petroleum and Minerals.

[Question] What are the commission's future plans for Musandam?

[Answer] I have already brought some light beforehand to the general plans of our programs. In the remaining period of our five-year plan efforts will concentrate on 1) building a project to control and drain off flood waters in Khasab, 2) opening a youth center in Khasab, 3) paving the roads in Khasab and al-Bay'ah, 4) executing a comprehensive plan for telephone and radio communications, and 5) constructing residential and commercial centers in Khasab, al-Bay'ah, Bakha', and Madha'.

[Question] The straits of Hormuz are considered one of the most important international waterways since oil tankers from the Gulf must pass through there to the rest of the world. Has the commission within its plans ensured the safety and strategic environs of the passageway? Is there any form of coordination with the Ministry of Defense to this end?

[Answer] The commission was formed to accelerate the development of the civilizational infrastructure of the Musandam peninsula. In spite of there being security and strategic side-effects, of course, resulting from developing such an infrastructure nevertheless security and strategic concerns are not part of our responsibilities and they do not comprise any part of our urban development planning.

[Question] What are the many ways of tying the region with the rest of the Sultanate?

[Answer] Entering the Musandam region by the overland route requires you to cross the United Arab Emirates. But there are daily flights organized by the Sultanate Air Force. There is also the possibility of entering the region by sea through the ports of Khasab and al-Bay'ah.

THREE PHASES OF EDUCATION REVEAL GREAT PROGRESS IN RECENT YEARS

Muscat 'UMAN in Arabic 15 Jun 83 p 3

[Text] This week more than 9000 students will complete their secondary and middle school examinations for 1982-83. With the end of these exams the curtain will drop on the past academic year. Everyone, both students and their families, remain in anticipation on this year's harvest with the announcement of the exam results because the awaited results can shape the future of these students and define their future course. Along with the end of the school year 'UMAN is following the progress of the important educational accomplishments and features that have been achieved since the glorious uprising.

We begin by saying: According to the statistical report issued by the educational planning office of the schools, institutes, students, and instructional organizations operated during the academic year 1982-83 the total number of schools reached 473 of which 207 were for boys and 123 for girls and 143 were mixed schools. The number of primary schools came to 204 (76 mixed, 72 boys, and 56 girls). There were 219 middle schools (67 mixed, 197 boys', and 45 girls'), and there were 32 secondary schools (13 boys', 19 girls'). From these figures the number of academic instruction schools totals 455 of which 143 are mixed, 192 for boys, and 120 for girls.

Other kinds of schools number 18 schools and institutes including two model middle schools, two agricultural and commercial high schools, an Islamic high school, six teachers' institutes (four boys', two girls'), and seven preparatory religious institutes in mosques.

Students

The total number of students during 1982-83 came to 142,866 students (91,361 boys, 51,505 girls). Primary school students comprised 116,467 of the total number (72,311 boys, 44,156 girls) while the number of middle school students amounted to 19,985 (14,541 boys, 5444 girls). Secondary school students totalled 4130. The total number of students in academic instruction comes to 140,582 out of the total number of students.

The number of students in model middle schools instruction totalled 468,316 of whom were girls. There were 160 students in the commercial section, 105 in agriculture school, 171 in the Islamic secondary school, and 813 in teachers' training institutes (455 boys, 358 girls), and 567 students in the religious middle schools in the mosques. The total of students in other educational tracks was 2284 of the total.

Education Phases

Education in the Sultanate from the palace coup until now has passed through three phases, each having characteristics distinct from the preceding or succeeding phase. One who is following the educational renaissance of Oman can clearly sense the extent of outstanding progress that has happened in the field of instruction and education during this period from 1970 to 1983. The number of students in the third phase during the past year totalled 142,866 whereas in 1970 there were three primary schools only enrolling 909 boy students.

The first phase of instruction and education from 1970 to 1976 was marked by a great expansion and continual increases in conformity with the circumstances of the time.

The second phase in the development of Omani instruction came in conjunction with and contemporaneously to the Sultanate's first developmental plan. That covered the period 1976-1980 when a new stage began for comprehensive Omani development to which the education establishment responded. It entered into this new phase with characteristic traits, the fundamental one was the idea of planned growth. This phase had to confront the consequences resulting from the first phase. This phase was marked by its being the beginning of educational planning and by its bringing instruction up to the threshold of modern trends primarily through rational planning that conformed with the Oman's needs and its comprehensive development trends. That was represented in the three basic documents:

--Educational philosophy in the Sultanate of Oman

--the first five-year plan for investment programs in education and all that they entail, proposed for the fundamentals and strategies of education during the first five-year plan.

--the Omani report to the conference of education ministers and officials on the subject of economic planning in the Arab world, including the strategy for instruction in the Sultanate of Oman.

These three documents have elaborated the principal trends that the course of education and instruction has taken in the second of the phases of educational progress. These documents drew the intellectual framework as well as limited the course of applying this to the educational services.

Among the important characteristics of the second phase in this progress was: providing elementary instruction to whomsoever needed it; raising the minimum instructional level required of all countrymen by 2 years to the end of the primary school level; providing a public high school to every educational district; diversifying instruction (teachers' institutes, agricultural and commercial high schools). The concern for diverse education accompanied the second phase, a phase when education planning began.

At the beginning of the renaissance, circumstances in the Sultanate required that it call on the assistance of the curricula of some of its fraternal Arab states, although they did not fulfill the Omani educational philosophy adequately so as to enable it to "Omanize" the curriculum in the third phase. From the start of the new school year 1983-84 the Omanization process of the curriculum should be completed, and students will take their exams for the high school diploma presented with the Omani curriculum.

In addition to what has been achieved, the Ministry of Education has intensified its efforts in the fields of eradicating illiteracy and adult education, and its classes have attained some success in this area by opening ordered instruction to adults and others. In addition, to liberate the illiterate from illiteracy and to ensure that other do not lose their reading skills, it has established an adults' library and has composed several general cultural books for them.

The Ministry of Education has given special attention to educational activity by taking into account the factors building a student's personality and the scope of acquiring experiences and skills.

Third Phase

Let us return to our discussion of the phases of educational progress. The third phase has completed its planning for the education movement on a number of different guiding foundations towards which it will progress. The most important of these principles are: care for home conditions, concern for diverse education, distinguishing between the stages of instruction, concern for the teacher, care for the needs of comprehensive development, administrative organization of the education system.

If this is what has been achieved in just a few years, it can be anticipated and hoped that in future year a great deal more will be achieved.

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STATEMENT ISSUED DENOUNCING MUSLIM BROTHERHOOD

Kuwait AL-TALI'AH in Arabic No 799, 29 Jun 83 p 25

[Text] The nationalist forces in the occupied territories have issued a comprehensive political statement in which they criticized the true goals of this gang and of these practices of it, confirming the following:

1. They implored every honorable, nationalist Muslim from among the sons of our people to work via mosque, street and home to expose the ugly face of the Brotherhood gang, which is not tied at all to the teachings of our noble religion, and to oppose the plots of our enemies;
2. They demanded from the Higher Education Council cancellation of the membership of Muhammad Saqr, president of the Gaza University, since he was the one who organized these criminal acts of aggression;
3. They demanded that the administrations of the universities take severe measures against the planners of these crimes, and against those who formented these crimes;
4. They implored the nationalist institutions and press to carry out an information and propaganda campaign against this scum and its fascist practices;

The statement also emphasized that opposition to the plots of this fascist gang would not be possible without rallying around the PLO, the sole and legitimate representative of our people, and the mass-based nationalist circles inside which form an extension of the PLO.

Numerous personalities, institutions, and popular associations in the West Bank also issued similar statements in which they condemned the practices of the Brotherhood gangs and called for a stand to be made as a single, nationalist column against them, in order to bring about the failure of their maneuvers and plots, which are an extension of the maneuvers and plots of the reactionary forces and the agents inside and abroad. Among those signing these statements were:

Karim Khalaf, the mayor of Ramallah, in the name of Bassam al-Shak'ah, the mayor of Nabulus; Wahid al-Hamdallah, mayor of 'Anbata; Ibrahim al-Tawil,

the mayor of al-Birah; al-Hajj Amin al-Nasr, the mayor of Qalqiliyah; Ahmad Shawqi, the mayor of Janin; Mahmud al-'Aridah, the mayor of 'Arrabah; the General Federation of Workers Unions in the West Bank, with its two branches; the Journalists League; the Physicians Union; the Federation of Agency Teachers; the Union of Workers in Private Schools; the General Committee of Government Teachers; the Brigade Committees of Government Teachers; the Federation of Educational Sector Workers; the Student Unity Block in the Occupied Areas; the Progressive Student Labor Front in the Occupied Areas; the Student Youth Movement; and Progressive Student Federation Bloc.

In Ramallah: the Women's Labor Committees; the Workers Unity Bloc; the Palestinian Women's Committee; the Union of Workers in Private Schools in Ramallah; the Palestinian Working Women's Committee; the Arab Women's Federation; the General Federation of Women's Social Work Committees; the First Ramallah Company; the Women's Renaissance Association; the Association for Infant Care; the Orthodox Club; the Sewing and Weaving Union; the Brigade Committee of Government Teachers; the Federation of Educational Sector Workers; the Federation of UNRWA Instructors; the Union of Construction and General Association Workers; the Subcommittee of the Pharmacists Union; the Subcommittee of the Dentists Union; the Union of Medical Service Workers; the Association of the Friends of the Sick; and the Engineers Union.

12224

CSO: 4404/506

BRIEFS

FOOD STOCKS--Mr Muhammad Ahmad al-Suwaydi, the deputy director of the Supply Administration, has described the blessed month of Ramadan as being marked by the lowest consumption of all kinds of provisions. The reason is that the citizens store up the consumables they need during the month of Sha'ban, so that the quantity of sales doubles, especially with regard to rice, sugar and flour, in preparation for the noble month. In a special statement to the Qatari News Agency, he said that the Supply Administration did not receive any complaints in connection with the short supply of any particular commodity from the markets, thereby indicating the existence of a food reserve big enough to last the State of Qatar for a year and a half. [Text] [Doha AL-RAYAH in Arabic 9 Jul 83 p 2] 12224

CSO: 4404/506

GOVERNMENT MOVES TO PREVENT STOCK MARKET CRISIS

Paris AL-MUSTAQBAL in Arabic No 328, 4 Jun 83 p 39

[Article: "Saudi Government Acting to Prevent Another "Suq al-Manakh Crisis]

[Text] The stock market in Saudi Arabia has grown rapidly during the past few months, with trading increasing 200 percent according to some, prices of shares doubling and 24 agents' and brokers' offices opening recently.

This causes concern for Saudi officials, who fear that this rapid growth in the volume of trading and in prices will lead to a crisis similar to last year's Manakh crisis in Kuwait, which wiped out many speculators, left the Kuwaiti Government to pay approximately 500 million Kuwaiti dinars to salvage what it could and weakened local and international trust in checks and bank notes.

The Ministries of Finance and National Economy and of Commerce and the Monetary Agency, on instruction from King Fahd, have studied this new phenomenon and have imposed controls and regulations to prevent a repetition of the "Sul al-Manakh" crisis. These official agencies found that it was best for commercial banks to handle the matter since they know their customers, the market and the stocks best and because they will be the bankrollers of any speculation that may occur in the future, intentional or otherwise.

The problem with the Saudi stock market is that it is young and inexperienced and therefore the various government ministries concerned do not have enough information to enable them to regulate the market as quickly as possible and as is required.

Nevertheless, experts do not expect the Kuwaiti "Sul al-Manakh" crisis to be repeated in Saudi Arabia for several reasons:

1. There are fewer traders in Saudi Arabia and money is not expected to pour into the stock market at the same rate it did in the Gulf shares market in Kuwait.
2. The Saudi market is relatively inactive, with speculation fueled only by abundant liquidity or bank credit.

3. The Saudi authorities have begun an information campaign to alert speculators to the risks of buying shares for more than their actual value.
4. There are many joint-stock company projects in which shares are to be offered in the market by their owners, which will help create a balance between supply and demand.
5. The Saudi government did not make the "mistake of inexperience" that the Kuwaiti government did by not allowing the creation of Kuwaiti joint-stock companies for several years. This caused a dearth of shares on the market on the one hand and caused Kuwaiti investors to establish joint-stock companies outside Kuwait largely without controls and to offer shares in these companies for sale in Kuwait, on the other hand.
6. The Saudi government intends to offer shares in the Saudi Arabian Basis Industries Corporation [SABIC], with capital of 10 billion Saudi riyals, enough to absorb the growing demand for shares.

In any case, the amount and prices of shares offered are still reasonable. Trading centers around 35 companies, the most important of which may be the Saudi banks, which are now capable of regulating the stock market. The top price for a bank share is 54,000 riyals, with the bottom price 1.020 riyals [as published]. This is followed by shares in general companies with prices between 2800 and 260 riyals per share and shares in service companies. Approximately 32 offices market shares and contact customers to sell shares. AL-RIYADH newspaper describes these offices as unqualified, quoting the owners of the offices themselves and pointing out that many of them were in real estate before trading in stocks.

The owners of the companies are demanding that workable regulations be imposed so that not just anyone can establish an office to sell and buy stocks. They are also demanding that more new stocks be put on the market so that there will not be a shortage.

The owners of the offices say that many Gulf residents, perhaps Kuwaitis, have entered the Saudi stock market and begun to contract loans, even though the law forbids non-Saudis to buy shares in local companies.

Those who deal on the Saudi market believe that for the near future the Saudi government will not allow non-Saudis to buy stocks, although the Gulf economic agreement gives the same rights to Kuwaitis and Qataris as to Saudis, and vice versa. However, they believe that in the long run, the Saudi stock market will become a Gulf market.

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1801 4404/449

MINERAL EXPLORATION, PRODUCTION UNDERWAY

Paris AL-MUSTAQBAL in Arabic No 324, 7 May 83 p 28

[Article: Following Discovery of Huge Quantities of Minerals, Saudi Arabia Enters Age of Industrialization; 300 Million Tons of Iron Ore in Jabal al-Sufna; Mining of Copper and Coal Will Begin Next Year"]

[Text] King Fahd Ibn 'Abd al-'Aziz's opening the Mahd al-Dhahab mine last Saturday revealed the tremendous mineral wealth in Saudi Arabia--wealth that could, according to Minister of Petroleum and Mineral Resources Ahmad Zaki Yamani, replace oil as a source of national income or at least occupy a significant place in Saudi national income.

The importance of the Mahd al-Dhahab mine, which lies approximately 500 km south-east of Jiddah [as published; Mahd al-Dhahab is northeast of Jiddah], is that it contains large quantities of economically useful, exploitable gold and that the general reserve of the mine, which is one of Saudi Arabia's oldest, has been estimated at 1,000,600 tons of ore, with 27 grams of gold and 73 grams of silver per ton. Gold production is expected to be 30 tons over the next 10 years, with 90 tons of silver, 8,000 tons of copper and 37,000 tons of zinc.

The opening of this gold mine also means the beginning of a thrust toward mining activity in Saudi Arabia, particularly since studies have confirmed the presence of many important, scarce minerals in more than 2,000 mining sites spread throughout most regions of Saudi Arabia, especially in the area called al-Dar' al-'Arabi, which extends along the east side of the Red Sea and covers 235,000 square miles.

Studies and research conducted by an agency of the Saudi Ministry of Petroleum and Mineral Resources have verified that the most important minerals in these mining regions are gold, silver, copper, zinc, tin, phosphates, iron, bauxite and certain radioactive minerals such as uranium.

Undersecretary in the Ministry of Petroleum and Mineral Resources engineer Ghazi Sultan disclosed details of the enormous mineral wealth in Saudi Arabia. A geological survey has shown that, in addition to the Mahd al-Dhahab mine's containing large quantities of gold which will be produced commercially in 3 years, the area around the mine contains large amounts of silver, copper and zinc. Preliminary studies have also confirmed that there are large amounts of silver in al-Nuqrah and al-Safrah.

Wadi al-Sawawin, in the northeast part of the Arabian Peninsula approximately 55 km from the Red Sea coast, is considered to be one of the most important mineral sites in Saudi Arabia, with iron ore estimated to be 75 percent pure. Total iron ore reserves in Wadi al-Sawawin and Jabal al-Sufna nearby are estimated at 300 million tons.

The Ministry of Petroleum and Mineral Resources has drawn up a plan to use iron ore from Wadi al-Sawawin by supplying it to the iron and steel mills set up by SABIC in al-Jubayl at a rate of 2.06 million tons per annum, from which 1.01 million tons of pure iron can be extracted.

Construction is currently underway in Wadi al-Sawawin on a mill with a production capacity of 30,000 tons of iron. Al-Qariyah is another mining area near Wadi al-Sawawin, where the first exploratory studies have indicated the presence of scarce radioactive minerals such as uranium. The Red Sea Mining Corporation and Arabian Vile have been given permission to explore, research and determine the types and amounts of minerals in this region.

Next year Saudi Arabia plans to commercially exploit the copper found in large quantities in Jabal Sa'id, estimated at 30 million tons of ore, with 1.01 tons of copper and 1.01 tons of zinc. Copper extraction began in Jabal Sa'id in 1981, and commercial production of copper will begin in 1984.

Geological exploration has indicated the existence of enormous amounts of phosphate ore, comparable in quality and quantity to that found in Jordan. Engineer Ghazi Sultan said that there is an area of approximately 15,000 square km in northern Saudi Arabia near the border with Jordan rich in high-quality phosphate and that studies on exploitation methods are underway. Deputy Governor of PETROMIN 'Abd al-Razzaq Abu Rashid says that phosphate drilling and exploration operations are very encouraging since they located two large belts of high-quality, high-concentration phosphate rock. However, they are still searching for a better way to separate the impurities from these minerals. Studies are continuing, with a British geological team in the area.

Studies by the Phoenix Corporation have confirmed the presence of large amounts of bauxite, from which aluminum is obtained, in the region between Ha'il and al-Qusayn north of al-Riyadh. Bauxite is found in an area 70 km long. Governor of PETROMIN Dr 'Abd al-Hadi Tahir has said that preliminary studies show good results from the bauxite mineral, which has the same properties as the aluminum which SABIC imports from Brazil for its factories. In 4 or 5 years, after this mineral is exploited, the Kingdom may become one of the most important exporters of aluminum to the countries of the region.

Studies have indicated tremendous quantities of coal in Saudi Arabia extending north near the border with Kuwait and south toward the city of al-Salil. Coal has been found at a depth of 150 meters with a layer of coal approximately 45 meters thick. The laboratories of the Directorate of Mineral Resources in the Ministry of Petroleum are still researching the degree of purity of the coal and whether it contains other materials or can be exploited commercially. If the latter is confirmed by preliminary studies and experiments, in the next century Saudi Arabia will become one of the most important coal-exporting countries.

King Fahd Ibn 'Abd al-'Aziz's desire to open the gold mine himself can only mean the beginning of a move toward an age of mining, which will mean most importantly a step toward the future, with a greater thrust toward industrialization, since the presence of minerals such as iron, coal, copper and bauxite will provide Saudi factories with the necessary raw materials. If raw materials, large amounts of capital and advanced technology are available, which they are in Saudi Arabia, nothing can stand in the way of industrialization that could change the country from a developing country dependent on one source of income to an industrial country with numerous resources, which is what they are hoping for in Saudi Arabia.

9882

CSO: 4404/449

SAUDI ARABIA

NEW COMPANY TO UNDERTAKE HUGE PROJECTS

Beirut AL-IQTISAD WA AL-A'AMAL in Arabic No 49, Jun 83 p 76

[Article: "Important Industrial Development in Saudi Arabia: Private Joint-Stock Corporation to Process SABIC Products; Dr Mahsun Jallal: 'We Will Build Huge Automobile, Iron and Plastics Factories'"]

[Text] In a very important development in Saudi industry, prominent Saudi economist Dr Mahsun Jalal announced the formation of the National Manufacturing Corporation, with capital of 600 million riyals (176 million dollars).

This company will manufacture certain types of secondary products and will make the chemical, petrochemical and mineral products of the companies under the Saudi Arabian Basic Industries Corporation (SABIC) into finished or semi-finished products.

Announcing the creation of the corporation at this particular time is indicative of several things, the first being that Saudi Arabia wishes to continue its plans to create a linkage of industries dependent on oil and gas for its energy sources, despite the fact that such industries are said to be short-lived and to exhaust oil and gas resources.

Another thing is that Saudi Arabia is continuing its industrial plans despite the decrease in oil revenues and government investments. The important thing is that Saudi officials believe that the new generation of Saudis are capable of handling the responsibilities of new industries which require technology and administrative and marketing skills.

Although the corporation will belong to the private sector, the list of officers makes it clear that SABIC and a number of state agencies will share in the capital, which makes one believe that the corporation will follow the Saudi government's general plan regarding secondary petrochemical industries. In addition to SABIC, the list includes The General Investment Fund (4 percent), the Social Insurance Organization (3 percent), the Pension and Retirement Administration (3 percent), the Bank of Riyadh (2.5 percent), the Saudi Investment Company (1 percent), as well as 70 individual investors. Officers own a total of 40 percent of equity; the remainder will be open to investors.

Transfer of Technology to Saudi Arabia

The goals of the corporation, as defined by Dr Jalal in an interview with the Saudi newspaper AL-RIYADH, is to transfer advanced industrial technology to Saudi Arabia, help expand the industrial base, diversify sources of income, achieve the highest degree of self-sufficiency, firmly establish Saudi capabilities, integrate producing sectors and strengthen cooperation among the Gulf countries.

To achieve these goals, the corporation, which is a holding company, will undertake several tasks, the most significant being: establishing petrochemical, chemical, engineering and mechanical industries, as well as secondary industries; setting up various types of companies to implement its industrial projects or to help implement or manage them; acquiring industrial technology by buying it or through cooperation with the owners or developers of this technology; establishing industrial maintenance projects to service the corporation's projects and similar industrial projects; and creating capital-intensive spare parts, machine and equipment industries.

Dr Jalal says that the corporation, which is still in the process of licensing, is planning seven medium and large-scale industrial projects which will get underway as soon as the necessary steps to establish the corporation and the sale of stock to the public are finished. These projects are: an automobile plant, an electrical project, an iron mill and four petrochemical projects, including one within the scope of the Saudi-Tunisian cooperation agreement. The Saudis will produce fibers for fabric industries and a joint Saudi-Tunisian factory in Tunisia will make these fibers into cloth. Another petrochemical project will produce PVC and its byproducts. Dr Jalal added that approximately 20 international companies have expressed interest in joining the new corporation in its industrial projects. The sale of stock in the corporation is expected to begin in June or the following month. On the same subject, Deputy Chairman of the Board and member delegate of SABIC 'Abd al-'Aziz al-Zamil spoke about supplementary projects which will get underway soon, without saying whether SABIC or the National Manufacturing Corporation will undertake these projects.

He said that the first secondary industry will be the industrial gasses project, for which agreements have been signed with several owners of industrial gas plants in the Kingdom. Many projects are underway, such as the production of PVC; the production of pure styrene, which is used in the plastics industries which manufacture furniture; and the production of MTPI, which is added to automobile fuel to reduce a car's fuel consumption since it replaces lead proven to cause air pollution.

Al-Zamil said that last month SABIC exported its first shipment of chemical methanol, produced by the Saudi Methanol Company, a subsidiary of SABIC, pointing out that 4 of SABIC's 14 gigantic complexes have begun operation.

9882

CSO: 4404/449

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

SECURITY CHIEF RETURNS FROM CUBA--Brother Salih Munassar al-Siyayli, member of the Political Bureau and chairman of the State Security Committee, returned from Havana today after leading a party delegation to the celebrations of the 30th anniversary of the Cuban revolution. In a statement to ANA, Brother al-Siyayli stated that the participation of our party in the friendly Cuban people's celebrations on this historic occasion is an affirmation of our solidarity with the Cuban revolution. It is worth mentioning that during his visit to Cuba, Brother al-Siyayli delivered a message from Brother 'Ali Nasir Muhammad, secretary general of the YSP Central Committee, chairman of the Presidium of the Supreme People's Council, and chairman of the Council of Ministers, to Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers. [Summary] [GF031610 Aden Domestic Service in Arabic 1230 GMT 3 Aug 83]

CSO: 4400/450

AFGHAN ELDERS REPORTEDLY EXECUTED BY SOVIETS

Manila BULLETIN TODAY in English 28 Jul 83 p 3

[Text]

NEW DELHI, July 27 (UPI) — Soviet troops allegedly executed 20 to 30 Afghan old men and launched some of the year's heaviest offensives but rebels killed more than 60 Afghan soldiers, a western diplomat charged Tuesday.

A bomb exploded Monday in a Kabul restaurant frequented by Marxists, secret police, diplomats, and Soviets based in the Afghan capital, killing five unidentified people and injuring 20 others, he said.

Soviet troops, angered over casualties they suffered in recent battles with anti-communist rebels in and around Ghazni City, randomly rounded up some old Afghan civilian men for a revenge execution, the

Western diplomat said.

"Twenty to thirty of the elders were executed" two weeks ago by the Soviets in Ghazni, 80 miles (128 kms) southwest of Kabul, the diplomat charged.

The Soviet-controlled Afghan media strongly denied the charge. The report could not be independently confirmed because Afghanistan bars Western reporters.

The elderly men were allegedly "machinegunned in more or less public view near the minaret of Sultan Masood" mosque in Ghazni, witnessed by some onlookers, the diplomat claimed.

"The Soviets appear to be killing a certain number of civilians for every Soviet killed," he charged.

CSO: 4600/806

ALL MAJOR PORTS TO HAVE ANTIPOLLUTION CELLS

Madras THE HINDU in English 9 Jul 83 p 12

[Text]

MADRAS, July 8

Every major port in India will have to create a separate anti-pollution cell to control oil and other pollutions, according to a recent decision taken by the Centre. To begin with, Bombay, Calcutta, Madras and Visakhapatnam ports will have such cells.

Mr. A. Ananthakrishnan, Deputy Development Adviser, Ports, Ministry of Shipping and Transport, Government of India, said that in other ports also one of the officers of the Marine Department will be in charge of the anti-pollution work. Pollution in areas beyond the control of the ports would be taken care of by organisations like the Coast Guards.

Mr. Ananthakrishnan, who is here in connection with the two-day conference of Deputy Port Conservators on pollution control which concluded here today, said the meeting devoted itself to amending rules of the Indian Ports Act to give more powers to ports to deal with vessels which caused oil pollution.

The international Marine Pollution Convention (MARPOL) protocol which comes into effect from October end stipulates that ships and ports should have certain facilities for reducing pollution. The ports are obliged to provide facilities for the reception and clearance of oil, bilge and dirty ballast water disposed of by vessels.

Though India had not yet ratified the MARPOL protocol, steps were being taken to introduce anti-pollution measures in ports.

Mr. Ananthakrishnan expected the new changes to the Ports Act to come into force in the next three or four months after being approved by the Centre.

The ports would need equipment like skimmers and booms to separate and dispose of the oil polluting the waters and also di-

spersants to dissolve the floating oil. Some of the ports have submitted schemes to the Centre for acquisition of equipment to control pollution.

Capt. G. A. Mande, Deputy Port Conservator of Madras Port Trust, said that the Port Trust has submitted a Rs. 1.25 crores plan with a recurring expenditure of Rs. 25 lakhs a year for pollution control.

Causes of pollution: Pollution of waters was caused by the discharge of oil mixed water from cleaned tanks of ships. It was also due to overflow of oil from tankers or pipe bursts. Indian ports generally did not have the necessary organisation to inspect the erring ships and also the equipment to clear the polluted water.

Capt. Mande said the port had kept the harbour clean and had acquired an oil skimmer more than a decade ago. An anti-pollution cell under the Marine Department also started functioning from last November.

Demonstration: The Deputy Port Conservators of major ports witnessed a demonstration of the Port Trust's Canadian oil skimmer in the harbour today. A boom encloses a patch of oil polluted water and the skimmer separates the oil from the water and pours it into the drums. They also saw the working of the deballasting tank which receives oily water from the ships and separates the oil from water. There was also a demonstration of the fire fighting equipment at the oil terminal.

The Madras Port Trust Chairman and the Deputy Port Conservators saw an audio-visual presentation, by the Interocean Company, on its anti-pollution equipment. Commodore K. L. Chopra of Interocean explained the salient features of the equipment.

CSO: 5000/7050

ISLAMIC IRAN: 'MORALLY ISOLATED ON INTERNATIONAL STAGE'

Paris LE MONDE in French 9 Jul 83 p 1

[Text] When the Boeing 747, which was hijacked by opponents to the regime, landed at Orly, it caused a strong reaction in Tehran. The radio denounced the "plot" hatched, according to the radio, by France in collaboration with the United States, Kuwait (where the plane had made a stop) and "the mercenary hypocrites of Zionism" (an allusion to the people's Mojahedin movement, to which the air pirates claimed they belonged.)

No doubt, the Tehran authorities have no illusions about the outcome of their request for extradition. They have met with a categorical refusal every time someone from the Iranian opposition has sought refuge in France. This was notably the case in July 1981 when Mr Massoud Radjavi and Mr Bani Sadr, respectively head of the Mojahedin and former president of the republic, landed in Paris in a plane that had also been hijacked.

Tehran reproaches Paris for turning France into the "base of the counter-revolution" by granting political asylum to the principal enemies of the Islamic republic. The Imam's representatives maintain that, contrary to common practice, their opponents are authorized to pursue their "seditious" activities, to organize public meetings and to distribute communiques and publications.

In reality, these often-repeated reproaches are of secondary importance in the eyes of the Islamic leaders, who themselves have greatly benefitted from French hospitality in the past. They are not overly worried about the presence of opponents in France. By leaving their country, these opponents have taken the risk of being either discredited in the eyes of part of the Iranian popular opinion or of losing the means of influencing the course of events. Ferocious repression has decimated their supporters in Iran, whence come the despair and resignation of a growing number of Iranians hostile to a regime whose foundations seem to have consolidated.

So it is not so much the asylum granted to those responsible for the hijacking that is causing Tehran's indignation. The Islamic government is especially after France for the support--which could be decisive--that France grants Iraq, which is at war with Iran. The outcome of the conflict will in fact determine the future of both regimes, indeed of all the Gulf countries.

France is Iraq's second-largest arms supplier (after the USSR) and its third-largest civilian supplier. The delivery of Exocet missiles and, more recently, the "loan" of five Super-Etendard planes, have swung the balance in Baghdad's favor. The destruction of the Kharg terminal, the "oil lung" of the Islamic republic, is now no longer just a hypothetical theory.

It is not yet known if Tehran intends to take retaliatory measures. The Islamic authorities are no doubt in an awkward situation because they had given some signs of their willingness to "normalize" their relations with Paris these last few months. Having cut itself off first from the United States and then from the USSR, and morally isolated on the international stage, the Islamic republic badly needs to open itself up to Western Europe, and particularly to France.

9895

CSO: 4619/78

U.S., USSR HIT FOR OPPOSITION TO NUCLEAR ENERGY PLANS

Karachi JASARAT in Urdu 1 Jul 83 p 5

[Editorial: "Russian Ambassador or Policital Agent?"]

[Excerpts] In a recent interview with a colleague, the Russian ambassador, Mr Smirnov, openly interfered in Pakistani freedom and independence. His remarks were tantamount to a threat, or blackmail, and his attitude was not very diplomatic.

Mr Smirnov said that he had advised the Pakistani Government 3 years ago, when he arrived here, to open direct talks with the Afghan Government, or Pakistan would become very weak. He added that he was repeating his advice that talks be opened with Afghanistan, or the Pakistani position would deteriorate day by day.

We call this expression of opinion nothing but open interference in our foreign policy and a warning of what might happen if we do not accept this advice. As if Mr Smirnov is not an ambassador in Pakistan but a political agent of a powerful imperialist government whose advice must be accepted by the colonials.

The question is, what is the ethical justification for advice that talks be initiated with Afghanistan? Why should Pakistan talk with a government that is not acceptable even to Afghans? How can we call a government that came to power with the help of a foreign army a real government until the foreign forces have left the country? Why did the Russians not advise the guerrillas who were fighting against the puppet government of South Vietnam, whose existence depended on the presence of American forces, to negotiate with the puppet government while the American army was still there? If there was no moral or legal propriety in opening negotiations with the South Vietnamese Government without the expulsion of American force, then on what basis can we negotiate with the Afghan Government, which came into power with the help of the Russian Army? Are not these double standards for a similar situation? Do not the Afghans have an equal right to self-respect as the Vietnamese?

Russian friendship can be measured by this example. Pakistan has neither coal nor oil nor any other dependable source of energy. It wants to use nuclear power for peaceful purposes because of this lack of natural

resources. The United States considers Pakistan its enemy because of U.S. connections with Israel. The United States opposes Pakistani nuclear plans for fear it might develop nuclear weapons. If Russia was Pakistan's friend, it should oppose the United States on this issue. Surprisingly enough, Mr Smirnov said what any American would have said on this issue. He said that Pakistan does not need to develop nuclear weapons. When told that Pakistan does not want to make bombs but to develop energy, he replied that we can establish large solar energy plants and thermal or hydroelectric power stations. The question is, what is wrong with nuclear power? If the answer is that Pakistan needs to make progress in other areas instead of making nuclear bombs, then why is this advice not given to India? India is much poorer than Pakistan. Poverty and hunger are much more prevalent in India. When it comes to helping India's nuclear program, Russia is with America. Both the United States and Russia compete in helping India's nuclear program and do not advise India about improving its economic conditions and focus on expanding solar and thermal energy instead of asking for help with nuclear energy.

Thus, because of these different and contradictory attitudes, both America and Russia are equally dangerous to Pakistan. We would like to inform these powers that Pakistan and its people have enough intelligence and they do not need either the American capitalist action or wisdom or the Russian brand of modern intelligence. The people of Pakistan are satisfied with Islam and the orthodox sagacity that goes with it.

7997

CSO: 4656/222

BRIEFS

SUPPORT ZIA MOVEMENT—MRD's "Black Day" and Support Zia Movement's "Zia Day" both proved to be equal farcical. Reports on both events showed up side-by-side in the newspapers. The absurdity of this affair was more noticable in the "theatrical performance" of "Zia Day" than that of MRD's "Black Day." In the beginning this Support Zia Movement looked like a threadbare joke. As time passed, and the way it began to develop, with meetings in many cities and villages and headlines in newspapers about the establishment of a couple of its branches, it was felt that someone with power was pulling strings behind the scenes. This movement is not considered the work of some crazy person. After all, who could toil for such a hopeless project? If this movement has support, then the question is, who is providing this support? What are the rewards? Second, why is this Support Zia Movement not being contrued as an insult to Zia. One assumption is that this experiment is being carried out by some opportunists to gain support from government. But why does Zia not notice it? If this movement has his nominal support, then he should shed his military uniform and put on a political costume and come out in the open. These hired amateurs are spoiling his act. [Text] [Karachi JASARAT in Urdu 7 Jul 83 p 5] 7997

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August 29, 1983